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Southeast Asia Report



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24 SEPTEMBER 1986

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LAOS

RALLY MARKS TRADE UNION DAY OF ACTION FOR PEACE

BK021506 Vientiane KPL in English 0912 GMT 2 Sep 86

[Text] Vientiane, 2 September OANA (KPL)--A ten thousand strong grand rally was held yesterday at That Luang Square to mark "The International Day of the Trade Union Actions for Peace" (2 September).

The meeting which was also attended by one thousand Buddhist monks, was jointly organized by the Lao Federation of Trade Union [LFTU] CC and the Lao Committee for Peace, Solidarity and Friendship With Other Nations.

Following the monks' peace prayer, Thitsoi Sombatdouang, member of the party CC, president of the LFTU CC addressed the meeting. He pointed out the danger and adverse consequences resulting from armament build-up and the escalation of arms-race carried out by the U.S. imperialists and its allies throughout the world. Here the speaker cited the U.S. Bellicose policy in granting 100 million dollars to the Nicaraguan reactionary forces, their criminal acts against Libyan people, threat against Cuba, U.S.-Israel military relations, Washington-Seoul-Tokyo military alliance, and the continuation of U.S.-Thai military exercise code-named "Cobra Gold".

On the other hand, T. Sombatdouang reaffirmed the Lao workers and working people wholehearted support for the Soviet peace initiatives made on 15 January, the Vladivostok statement with the aim of eliminating the military confrontation in Asia and the Pacific, and the proposal by M. Gorbachev on the extension of the moratorium on nuclear tests till 1 January 1987.

"The Lao workers and working people stand ready to support the struggle for the preservation of peace based on the strengthening of the special solidarity, militant alliance and all-round cooperation among workers of Laos, Vietnam and Kampuchea, and [word indistinct] on the multifomed cooperation between the latter and those of the Soviet Union and other socialist countries as well as the world progressive working people. These are aimed at turning South East Asia and the world into a world free of nuclear war," T. Sombatdouang stressed.

A resolution was adopted at the meeting. It strongly condemned and resolutely protested against the imperialists policy, against arms-race and the "Star War" programme. The resolution furthermore voiced support for the initiatives of the Soviet Union and other socialist countries. It wholly supported the statement of the 13th conference of the foreign ministers of Laos, Vietnam and Kampuchea and other statements for the benefits of the struggling movement for world peace.

LAOS

BRIEFS

GYPSUM PRODUCTION MEMORANDUM WITH SRV--Vientiane, 27 August (KPL)--A memorandum on industrial cooperation between Laos and Vietnam was signed here on 26 August. According to the memorandum, the two sides will strengthen their cooperation in the production of gypsum from 1986 to 1990. Productivity is expected to be 150,000 tons a year and then 200,000 tons from 1990. Signatories on the Lao side were Soulivong Dalovong, Deputy Minister of Industry and Handicraft, and on the Vietnamese side, Tran Van Huynh, Deputy Minister of Construction, who headed a delegation of the Ministry of Construction on a friendly visit here from 18 to 26 August. [Text] [Vientiane KPL in English 0908 GMT 27 Aug 86 BK] /12913

UNICEF OFFICIAL VISITS--Vientiane, 28 August (KPL)--Phoumi Vongvichit, vice-chairman of the Council of Ministers, president of the State Committee for the International Year of the Child received here on 27 August, John W. Peacock, representative of UNICEF to Laos. They exchanged views on UNICEF's cooperation with an assistance to Laos up to now as well as in the future. John W. Peacock informed Phoumi Congvichit of a plan of making a documentary film about Lao children at the beginning of next year. On behalf of the Lao PDR, Phoumi Vongvichit expressed his profound thanks to international organisations, and UNICEF in particular, for their cooperation and assistance. He said he believed that this cooperation and assistance would be further developed in the future. [Text] [Vientiane KPL in English 0903 GMT 28 Aug 86 BK] /12913

UNHCR OFFICIAL--Vientiane, 29 August (OANA-KPL)--Nouhak Phoumsavan, first vice chairman of the Council of Ministers, received here yesterday M. Bayandor, head of Desk Indochina UNHCR, on a current visit to Laos. Their discussion centered on the HCR's cooperation with and assistance to Laos in solving refugee matters on the principle of humanity. Speaking on behalf of the Lao Government, the first vice-chairman reaffirmed the constant human stand of the Lao Government vis-a-vis the Lao refugees who desire to return home. Also present at this meeting was Pierre Gunten, representative of the UNHCR office here. [Text] [Vientiane KPL in English 0904 GMT 29 Aug 86 BK] /12913

'MISLED PEOPLE' RETURN HOME--Vientiane, 29 August (KPL)--During the first six months of this year, about 100 misled people returned home to the central province of Bolikhamsai. They were warmly received by the local authorities and were helped to settle down in their own localities. [Text] [Vientiane KPL in English 0916 GMT 29 Aug 86 BK] /12913

GREETINGS ON MALAYSIAN NATIONAL DAY--Vientiane, 1 September, (KPL)--President Souphanouvong and Chairman of the Council of Ministers Kaysone Phomvihan have cabled congratulatory messages to King Sultan Iskandar Yang Dipertuan Agong and Prime Minister Datuk Seri Dr Mahathir Mohamed of Malaysia. In their message addressed on the occasion of the National Day of Malaysia, the Lao leaders wished for further development of friendly relations between the two countries and peoples. A similar greeting message was also sent by Foreign Minister Phoun Sipaseut to his Malaysia counterpart, Datuk Rais Yatim. [Text] [Vientiane KPL in English 0858 GMT 11 Sep 86 BK] /12913

VIENTIANE MAYOR RECEIVES UNHCR OFFICIAL--Vientiane, 30 August (KPL)--Khambou Sounisai, member of the party CC, mayor of Vientiane, received here yesterday Houan Hgrimberg, [name as received] head of UNHCR desk for Asia and Oceania, on a current visit to Laos. During the friendly meeting, they exchanged views on the cooperation between the Lao PDR and the UNHCR. The UNHCR delegation, which included H. Hgrimberg and M. Fayandor, [names as received] head of UNHCR desk for Indochina, arrived here on 28 August. [Text] [Vientiane KPL in English 0858 GMT 30 Aug 86 BK] /12913

COOPERATION MEMORANDUM WITH USSR--Vientiane, 4 September (KPL)--A memorandum on forestry cooperation between Laos and the Soviet Union was signed here on 2 September. The memorandum provides for further cooperation between the two countries in wood exploiting and processing in Laos as well as in exporting tropical wood products to the Soviet Union. Signatories on the Lao side were Kham-ouan Boupba, Deputy-Minister of Agriculture, Forestry, Irrigation and Cooperatives, and on the Soviet side, Gunzbourg Alexei, [name as received] head of the International Relations Board of the State Committee and Wood Industry of the USSR [name as received], in the presence of Inkong Mahavong, Minister of Agriculture, Forestry, Irrigation and Cooperatives and Vitali Ivantsov, [name as received] Economic Counsellor of the Soviet Embassy to Laos. The delegation of the State Committee and Wood Industry of the USSR left here for home on 3 September ending its two-week visit here. [Text] [Vientiane KPL in English 0924 GMT 4 Sep 86 BK] /12913

PRAISE FOR VIENTIANE-HANOI COOPERATION--Vientiane, 6 September (OANA-KPL)--The fraternal cooperation between the capitals of Vientiane (Laos) and Hanoi (Vietnam) began in 1978 and it has since developed both in width and depth with every passing day, said an article published by the newspaper PASASON today. The cooperation plan between the two capitals for the 1978-83 period stipulated for the exchange of delegations, the training of personnel, and the provision of experts and construction equipment. With the assistance of Hanoi, a brick factory has been constructed in Vientiane with an annual capacity of 5 million bricks and 2 million roofing tiles. Two weaving workshops and two sugar refineries have also been set up. The past two years have seen ten projects erected, such as a paper factory in Vientiane capable of producing 450 tons of paper a year and a glue plant. During this period, trade exchanges have been also expanded between the two capitals. [Text] [Vientiane KPL in English 0910 GMT 2 Sep 86 BK] /12913

VIETNAMESE FILM NIGHT--Vientiane, 3 September (KPL)--A film night was held here on 1 September to mark the 41st National Day of Vietnam. It has jointly organised by the Ministry of Culture and the Lao-Vietnam Friendship

Association. Among those present on the occasion were Phoumi Vongvichit, member of the Political Bureau of the LPRP CC, and vice-chairman of the Council of Ministers, Sali Vongkhamkao, secretary of the LPRP CC, vice-chairman of the Council of Ministers, chairman of the State Planning Committee. Nguyen Xuan, ambassador extraordinary and plenipotentiary of the SRV to Laos, diplomats and representatives of the international organizations to Laos were also present on the occasion. The feature film screened called "Point of Rendezvous" was about the priceless deeds of the Vietnamese people, who with the spirit of heroism and altruism and under the leadership of the Communist Party of Vietnam, engaged in the national movement to liberate south of the country. It also shows the decadent society of the Saigon puppet administration in the past. [Text] [Vientiane KPL in English 0926 GMT 3 Sep 86 BK] /12913

SOVIET WOOD INDUSTRY DELEGATION--Vientiane, 3 September (KPL)--Sali Vongkhamkao, vice chairman of the Council of Ministers, chairman of the State Planning Committee received here, on 2 September, a delegation of the State Committee on Wood Industry of the USSR headed by Aleksey Ginzbourg, head of the International Relations Board of the committee. The sides discussed issues on cooperation on wood processing industry for the period extending till the year 2000. They also reviewed their past cooperation on forestry work. The Soviet delegation arrived to the Lao PDR in mid-August and will be here for two weeks. [Text] [Vientiane KPL in English 0924 GMT 3 Sep 86 BK] /12913

CSO: 4200/1411

PHILIPPINES

SEMINAR ON U.S. BASES OPTS FOR REMOVAL

HK081331 Manila PHILIPPINE DAILY INQUIRER in English 8 Sep 86 pp 1, 6

[Text] There seems to be no more turning back of the tide--the United States military bases be eventually moved as a prerequisite for Philippine independence.

This was the consensus of leading Filipino political scientists and intellectuals during a two-part seminar on Philippine foreign policy sponsored by the SOLIDARITY periodical, edited by Frank Sionil Jose.

A unilateral abrogation of the bases pact and the immediate removal of the bases was, however, considered too drastic a step that could trigger serious dislocation of the economy and invite "possible American retaliation for such a hostile act."

In short, the second option would be to allow the agreement to lapse in 1991.

The seminarists, said the government must draw up a plan with "a clear and detailed study on what to do."

Anticipatory planning, they pointed out, should be backed up with facts, figures, and statistics to pave the way for an orderly phase out without a major dislocation in the economy.

The third option is to allow the bases stay for a specified time "but only if they are of benefit to us."

In preparing for the 1991 takeover, the seminar participants submitted the following recommendations:

--The Philippines should negotiate for the retention of base facilities as is the case with U.S. bases agreements with other countries, and that we buy the equipment at reduced rates;

--The review should include the definition acceptable to us--that the money we receive from the United States is not aid but rent;

—The bases should not be used for offensive military action against any ASEAN country or Japan;

—Philippine products should have priority in the procurement for the bases and their personnel; and

—To reduce social abrasions, bases personnel will be required to have tourist visas when off-base and will be required to wear civilian clothes and they will be subject to the jurisdiction of civil authorities for any misdemeanor like any other tourist.

On the third option the following were suggested by David Sycip to be incorporated in the revision of the Military Bases Agreements:

"Extending the term to about 15 years (from the date a new renegotiated agreement is signed—if possible early next year) could be the basis for a tradeoff between the Philippines and the United States.

The extension should be with a provision for a compensatory payment starting at \$1 billion a year. This figure reflects both a fair return on the approximately 665,000 hectares of land used, as well as the value, based on replacement cost, the increased operating costs from alternate sites and the intangible inconvenience costs of less well-located sites.

The compensatory payment provision should also be coupled with a free access-to-the-U.S. market arrangement modeled after the U.S. Caribbean Basin Initiative, without an exclusion list, but modified to ensure a degree of mutuality of trade benefits, with the arrangement to be coterminous with the bases agreement."

"The social and political costs to the Philippines of extending the bases agreement, can be reduced by including certain provision in the new agreement (which would not affect the primary purpose of the bases--mainly to serve as forward staging areas).

The residual costs of extending the bases agreement should be equated against the cost of economic stagnation that may trigger major political changes--and while the bases agreement will have a time limit, the political changes that are likely to be triggered may be irreversible."

The participants also said American assistance should be based on a Philippine shopping list and Philippine priorities. It should not be made unilaterally but on the recommendations of a joint committee. It should be rationalized so that the Philippines will not end up paying for it. The pattern of aid which encourages dependency should be changed to one which builds institutions for independence. Guidelines should emphasize:

—Diffusion of assistance to as many sectors of society as necessary, and particularly to the poor;

--Safeguards against misuse, wastage, white elephant infrastructures, junkets and, most of all, malversation;

--Non-interference in social and religious institutions.

Cultural development, they said, should be encouraged in opposition to the massive influx of American and sub-cultural imports that cheapen the values and the traditional morality of Filipinos.

In this regard, a careful review must now be made on American inputs in the educational system which may continue warping Filipino [word indistinct] or perpetuate the teacher-pupil relationship. For instance, no American advertising commercials should be permitted in Philippine media.

American researchers and scholars working in the Philippines should be monitored, their activities regulated as is the practice in other Southeast Asian countries.

The participants included (ret) Brig. Gen. Napoleon Mr. Angeles, assistant chief of staff for plans, NAFF [New Armed Forces of the Philippines], Apolonio Batalla, publisher, the MANILA BULLETIN, Alejandro M. Fernandez, professor of political science graduate school, University of the Philippines [UP], Nestor Mata, columnist of DAILY EXPRESS and associate professor of political science, University of Sto. Tomas; Narciso G. Reyes, former ambassador to Beijing, president, Philippine Council for Foreign Relations. The others were Jose E. Romero, Jr., executive director, Makati Business Club; Josefa M. Saniel, former dean of the Asian center, UP, Leticia Ramos Shahani, deputy minister of foreign affairs; Estrella D. Solidum, professor of political science UP; Rafaelita H. Soriano retired, first woman career ambassador to head a diplomatic mission abroad (State of Israel); David Sycip, senior advisor of PCI Management Consultants, Inc., Francisco S. Tatad, former minister of information and member of parliament; and F. Sionil Jose, publisher and editor, SOLIDARITY.

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CSO: 4200/1410

PHILIPPINES

EDITORIAL URGES REEXAMINATION OF U.S. BASES

HK081115 Manila THE MANILA CHRONICLE in English 8 Sep 86 p 6

[Editorial: "An Alternative View of the U.S. Military Bases"]

[Text] The United States military bases here are, even in normal times, an emotive issue. They are more so now because of the imminence of a policy declaration on the basis' fate after 1991 by the Constitutional Commission and because they are inextricably linked to security issues related to the talks now under way for a ceasefire with the communist insurgents.

The emotional nature of the debate does not help at all an objective assessment of the Philippines' stakes on the bases and lends to manipulation by demagogues benefitting politically from a communist witch-hunt.

To help restore sanity in the debate, we are recommending for careful reading a report in yesterday's MANILA CHRONICLE of the Washington-based Center for Defense Information [CDI] on the implications of the continuation of the bases beyond 1991 for the insurgency movement and for Philippines security.

Reader must be aware that the CDI is composed of retired senior American military officers but they are less hawkish than the Pentagon. The group is committed to "effective U.S. defense" but opposed to excessive spending for weapons and policies that increase the danger of nuclear war.

The importance of the CDI study is that it offers an alternative view to that cherished by senior Filipino security officials who warn of apocalypse if the bases were removed after 1991.

The highlights of the study are: 1) Direct military involvement in the Philippines is a real possibility if the bases were retained after 1991; 2) the bases are "convenient" but not necessary for Philippine defense; 3) even without the bases, U.S. security requirements in the Asia-Pacific region could be met by more than 100 replenishment ships in the U.S. Navy fleet at bases elsewhere; 4) it belittled the U.S. Government's argument that the bases are needed to protect the oil lanes in the Middle East and to support U.S. forces in the Persian Gulf.

The report said the United States need not go to war in the Gulf because it imports from the Middle East only three percent of its oil. It said "the military importance of the U.S. bases in the Philippines has long been exaggerated."

The report is backed by facts and by insights of the senior commanders. For domestic purposes, the report offers a counter-balance to the overwhelming official material (emanating from the Pentagon) that is dutifully echoed by our security officials.

It also provides President Aquino arguments to resist pressure, when she is in Washington this month, to make her change her policy of attraction towards the communist insurgents into a tougher one.

The report demonstrated that despite growing U.S. military aid to the Philippine armed forces and the tough anti-communist policy of the deposed Marcos regime, the insurgent movement had grown stronger. The report more or less coincides with the President's assessment of the insurgency problem.

It is probably a good time to start reexamining the long-term implications of the bases not only because alternative assessments, such as the CDI report, are available, but more so because of the July 28 Vladivostok initiative of the Soviet leader, Mikhail Gorbachev.

In his Vladivostok speech, Mr Gorbachev offered a broad range of possibilities to reduce superpower tensions in the Asia-Pacific region. One of these is her statement that "if the United States gave up military presence, say, in the Philippines, we would not leave this step unanswered." A less exaggerated assessment of the importance of the bases here could be a more realistic basis to respond to the Gorbachev initiative.

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CSO: 4200/1410

PHILIPPINES

AQUINO APPOINTS NEW DEPUTY LABOR MINISTER

HK051519 Quezon City BUSINESS DAY in English 5 Sep 86 p 27

[Text] Apparently to appease the business sector, Malacanang yesterday appointed Franklin M. Drilon of the Employers' Confederation of the Philippines [ECOP] as the new deputy minister for industrial relations of the Ministry of Labor and Employment [MOLE].

Drilon, 40, took his oath yesterday in Malacanang before President Corazon C. Aquino and Labor Minister Augusto S. Sanchez. Drilon will take over the post vacated by lawyer Pablito Sanidad of Baguio City, who resigned recently due to the alleged "shabby treatment" of the United Nationalist Democratic Organization (Unido) in Ilocos Sur.

Drilon's appointment came as a surprise to MOLE officials who were expecting Sanchez's top aide, lawyer Eduardo Araullo, to clinch the post.

Senior ministry officials interpret Drilon's choice as a "political move" to pacify the business sector which has been highly critical of the "pro-labor" stance of Sanchez.

Aside from being an active ECOP official, Drilon is currently a managing partner at the Angara, Concepcion, Cruz, Regala and Concepcion (ACCRA) law offices. He was previously connected with the Sycip, Salazar, Luna and Manalo law offices. Drilon is a graduate of the University of the Philippines College of Law, class 1969.

Initial reactions to Drilon's appointment are varied. Sanchez told BUSINESS DAY that he recommended Drilon to Malacanang because he is "qualified."

A ministry official explains Sanchez's comment:

"You have a labor minister who is 'pro-labor' but not necessarily anti-management. The new deputy is 'promanagement' but not necessarily pro-labor. That sort of evens up things."

From the labor front, Rolando Olalia, chairman of the Kilusang Mayo Uno (KMU) [1 May Movement] said Drilon should be given the "benefit of the doubt."

"I don't think he would openly decide labor cases in favor of management, this would open him to criticism," Olalia said.

Vladimir Tupaz of the Trade Unions of the Philippines and Allied Services (TUPAS) said Drilon's appointment was "irregular."

"There was no consultation with the Labor Advisory Consultative Council (LACC)," Tupaz said.

Tupaz added that his group is going to ask the LACC to convene a meeting to discuss Drilon's appointment and to plan "possible courses of action."

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CSO: 4200/1410

PHILIPPINES

LABOR MINISTER DEFENDS MINISTRY'S REORGANIZATION

HK091527 Quezon City BUSINESS DAY in English 9 Sep 86 p 3

[Text] Labor Minister Augusto S. Sanchez yesterday answered the criticisms of his senior staff about the ongoing reorganization at the Ministry of Labor and Employment (MOLE), saying that it is his "prerogative" as minister to undertake a revamp as he sees fit.

Sanchez said that under the present revolutionary government, not all people can be consulted regarding the policy decisions of the ministry. He pointed out that he himself does not sit in the selections and promotions board which determines the movement of personnel in the ministry.

"Allow me a certain latitude in my prerogative as minister. What is happening here is that people who have been in the ministry for so long think that they have an exclusive right to all positions," Sanchez said.

Senior and career staff of the ministry have complained that the reorganization initiated by Sanchez is subjective and violates civil service rules. Task force members who are also friends of the minister are given choice positions, the officials said.

Sanchez, however, said that all new appointments were made based on the qualifications of the individuals concerned. For instance, he said, the post of labor attache has been given to individuals who possess "special qualifications" such as language skills. Previous attaches have to be replaced because many have stayed in their posts for eight to 11 years, he added.

The public has the perception that the MOLE and its attached agencies have been corrupted under the Marcos administration, Sanchez said, particularly those in labor arbitration and overseas employment.

"I cannot do a cleaning of these offices if I maintain the same people," he said.

On the creation of an "all-powerful" Management Operations Group (MOG), Sanchez said he wanted to have a management staff who would act as "liaison" for the many ministry offices. "If there were people in MOG who overdid their function, they (senior staff) could have told me sooner," Sanchez said.

An MOC official who declined identification explained that MOC fulfills the "crisis management" needs of a ministry instituting "reforms" under a new government. As the framer of the general policies and directions of the ministry, MOC has to have "access" to all ministry offices, the official said.

"Don't equate accessibility with power. MOC does not sign any orders," the official pointed out though.

Senior staff of the ministry have also questioned Sanchez's [words indistinct] stating that all orders and decisions of the Philippine Overseas Employment Administration(POEA) be reviewed first by deputy minister for employment Rogelio V. Garcia. This "emasculates" the POEA administrator, they said.

Sanchez said the POEA administrator does not have the rank of a deputy minister unlike in the past. Garcia is in charge of local and overseas employment and thus has a right to review all policies of POEA, he said.

The labor minister denied the charges of senior staff that he hired an exconvict for the Labor Assistance Center at the international airport ("He was a political detainee," Sanchez said); that people are drinking beer at the ministry offices ("If it was done, it was after office hours," he said); and that government cars are being used by non-government people ("I don't think so, but I'm having it checked," he said).

The problem is that the senior staff still look at the ministry as they did in the past, Sanchez said. "We're trying to develop a new understanding of public service by putting in new people with fresh ideas and who are committed to real public service," he said.

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PHILIPPINES

COLUMNIST COMMENTS ON CABINET DISPUTES

HK091523 Quezon City BUSINESS DAY in English 9 Sep 86 p 4

["Here and Now" column by Francisco S. Tatad: "Who Should Fire Whom?"]

[Text] Minister Aquilino Pimentel is right when he says that if any member of the Cabinet is unable to support President Aquino on an important policy question and feels very strongly about it, he should be good enough to resign before speaking out against her position. That is the well-known rule.

Does this, however, apply to the defense minister? Mr Juan Ponce Enrile's enemies think so. But there is another viewpoint.

In Pimentel's view, Enrile has violated the Cabinet rule by publicly disagreeing with Mrs Aquino on an important policy question. He has denounced the conditions put forward by the National Democratic Front [NDF] in the ongoing talks with the government, and this is seen as an attack on the negotiations themselves and on the President's decision to enter into those negotiations.

This appears to be a very liberal interpretation. To his credit, Enrile has not criticized the President's decision, although this has been attacked by others. Whatever his real position is, he has not allowed himself to say anything that would give away that real position. Despite the gravity of his expression when talking of the NDF conditions, he has not condemned the negotiations.

In reality, Enrile's statements have strengthened the hand of Mrs Aquino's negotiators. With the defense minister breathing down the neck of the negotiators, the latter are able to convey to the NDF the need for them to be reasonable. But regardless of the effect on the negotiations, Pimentel seems to view Enrile's statements as intended to embarrass the President.

It remains to be asked whether the President herself shares Pimentel's position, and whether she is not, in fact, using Pimentel as the cat's paw to make known her position. But since there is nothing on paper that says Enrile actually questions the President's decision, any move to get him to quit "for opposing the President" seems to stand on very weak ground. It is a little premature.

Supposing as these words are being written, Enrile decides to issue a statement claiming that the President had erred by choosing to negotiate with the NDF at the time it was at its weakest--on account of its disastrous boycott of the February elections--and denouncing that very decision as ill-advised and injurious to the government's counter-insurgency program, should he then heed Pimentel's advice and resign?

My own guess is he would not. He would probably say he's not covered by the Cabinet rule. Why not? For a very simple reason.

Enrile's position in the Cabinet is not the same as that of any other minister. He, like Gen. Ramos, does not, strictly speaking, consider himself an "appointee" of the President. Unless we have not been listening to his interviews, he and Ramos had asked Mrs Aquino to form a civilian government after the civilian-backed military revolt on the condition that they would retain control of the military and defense establishment.

You and I may find this arrangement rather unusual, if not unpleasant. The whole setup today is unusual, though not necessarily uniformly unpleasant. What we have is a revolutionary, rather than a constitutional government, and while Aquino was wholly a beneficiary, Enrile was partially its creator. For all intents and purposes, it is a coalition government between the "new Armed Forces of the Philippines" as represented by Enrile and Ramos and Mrs Aquino, aided and assisted by her civilian appointees. This explains why in the Armed Forces, there seems to be a standard reference to the ruling Aquino-Enrile-Ramos "triumvirate."

I have not invented this. Neither is this an interpretation. Enrile has made this very clear in his TV and press interviews, and any other Cabinet minister, including that of local governments, who thinks he sits on the same level as the defense minister has got to be kidding.

In fairness to Enrile, he has completely ignored Pimentel's statements. The only one who seems to have reacted strongly to it has been Pimentel's bete noir, the irrepressible Homobono Adaza, who has been asking the President to fire Pimentel, if he does not resign. In fact, Adaza has been making the dire prediction that unless the President fires most of her ministers, her government would have difficulty surviving until December 31.

There is something to be said in favor of overhauling the Cabinet as soon as possible. My own fear is that unless the President begins to get a good grip on her government, she courts unprecedented danger, not necessarily from a coup, but from a crisis initiated by her Cabinet ministers.

How would she react, for instance, if Enrile and Vice-President Laurel were to inform her: "Mrs. President, we have failed to provide the leadership our people expect from this government. We have therefore decided to resign. Will you join us, so our people could choose their new leaders?"

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PHILIPPINES

COMMISSION ON ELECTIONS PLANS REORGANIZATION

HK081221 Manila MANILA BULLETIN in English 6 Sep 86 p 5

[Article by C. Valmorla, Jr.]

[Text] The Commission on Elections (Comelec) decided yesterday to revamp its various departments, including regional, provincial, and municipal offices, in preparation for the general registration of voters and the plebiscite on the proposed new Constitution.

Many field officers and employees found to be habitual absentees and partisan could be summarily dismissed under the new reorganization rules.

To speed up the revamp, the Comelec unanimously approved a resolution embodying the rules prepared by a special committee composed of Commissioners Haydee B. Yorac as chairman, Keopoldo L. Africa and Dario C. Rama, members.

Comelec Chairman Ramon H. Felipe, Jr. said 12 key positions have been declared "critical" and, therefore, subject to stringent standards of competence and behavior.

The positions include assistant executive directors, Comelec secretary, regional directors and assistant regional directors, regional attorneys, provincial election supervisors, election registrars, department managers and assistant department managers, division chiefs and assistant division chiefs, and section heads.

The poll body approved the following grounds for summary removal, replacement, or other forms of disciplinary action:

1. Serious misconduct where the evidence of guilt is strong.
2. Where the respondent is a repeated offender and there is reasonable ground to believe he or she is guilty of the charge.
3. Where respondent is notoriously undesirable.
4. Existence of probable cause for violation of the Anti-Graft and Corrupt Practices Act as determined by the Comelec.

5. Gross incompetence or inefficiency in the discharge of functions.
6. Misuse of public office for partisan political purposes.
7. Ground specified in Section 36 of Presidential Decree 807 providing for the reorganization of the Civil Service Commission and [word indistinct] its powers and functions.

Felipe said disciplinary proceedings under the rules embodied in the resolution may be initiated by means of a verified complaint or written official report by any officer or employee of the government or any duly authorized citizen arm of the Comelec.

The respondent will be personally notified in writing of the charges and given seven days to file the answer together with supporting evidence. A general denial will be considered an admission of the charges.

Felipe said decision will be rendered by a majority vote of the seven-man Comelec and will be immediately executory. No motion for reconsideration will be entertained, he added.

However, he said the respondent may file a petition with a Cabinet committee composed of the justice and budget ministers, executive secretary, Civil Service Commission chairman, and Commission on Audit chairman.

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PHILIPPINES

NAMFREL REPORT OUTLINES NEEDED POLL REFORMS

HK081341 Quezon City BUSINESS DAY in English 8 Sep 86 p 5

[Article by Ramon R. Isberto]

[Text] The recently released final report of the National Citizens Movement for Free Elections (Namfrel) on the February snap elections yields few surprises. Its principal finding—that Cory Aquino and Salvador Laurel won those elections—is hardly news.

The comprehensive and detailed analysis of the conduct and outcome of the elections, however, provides not only graphic evidence that the fraud-marred polls was worthy provocation for the popular revolt that followed. It also serves as a useful guide for mapping the terrain of the Philippine electoral scene—a landscape that has not yet been completely altered.

By Namfrel's count, President Aquino won that disputed election despite massive cheating by the then ruling party by a margin of 532,721 votes (roughly 7.9 million votes for Aquino as against 7.37 million votes for Marcos).

The official canvass results of the defunct Batasang Pambansa of course showed Marcos winning by a margin of 1.5 million votes. Namfrel dismisses that count as a "complete mockery" of the popular will.

As per Namfrel's analysis, the Kilusang Bagong Lipunan Party resorted to a "subtraction-cum-addition" strategy in its failed bid to win the elections.

"Subtraction" meant systematically and massively disenfranchising voters in areas that were expected to go heavily for the Aquino-Laurel ticket.

"Addition" [word indistinct] large-scale vote substitution—wherein ballots for the ruling party ticket were substituted for opposition votes that were disenfranchised. This also involved casting outrightly fictitious votes to increase the KBL margins in various areas.

Namfrel estimates that at least 4.9 million voters were disenfranchised nationwide. About 3.62 million of these constitute "visible disenfranchisement." Namfrel calculated this by subtracting the officially recorded total number of votes cast in the 1986 elections from the estimated number of votes that should have been cast based on the voter turnout in the previous election.

The citizens' watchdog group estimates that another 1.63 million voters were the victims of "hidden disenfranchisement." This is referred to as "hidden" because "they are covered up by certain vote-substitution activities," the report said.

On top of this, Namfrel also included another 1.6 million votes which were fraudulently added to the tally, according to a study by Dr. Romeo L. Manlapaz.

The scheme to disenfranchise voters appears to have been aimed mainly at the vote-rich, opposition-leaning regions of Metro Manila, Central Luzon and Southern Tagalog. Namfrel estimates that 2.25 million voters were disenfranchised in these three regions, or 46 per cent of the total number of voters estimated to have been disenfranchised.

According to the Namfrel report, "the systematic, selective and elaborate nature of disenfranchisement uncovered suggests collusion among several Comelec officials, military men, KBL partisans and government officials both at the national and local levels."

Pre-election preparations included conducting surveys to pinpoint opposition-leaning areas. Voters' lists--which were padded with fictitious voters--were then juggled to create confusion on election day. The confusion was compounded by elaborate voting procedures, the lack of voting materials and--in many areas--intimidation and terrorism, the Namfrel report said.

Namfrel used a four-level scale to evaluate both the process and the results of the elections in the various regions and provinces of the country. The election process was either "desired" (i.e., the process was considered free, fair and honest), "tolerable" (anomalies were limited to tolerate levels), "intolerable" (i.e., standards of fair and honest polls were "clearly violated") and "abusive" (meaning, there was breakdown and the polls were reduced to a mockery of the people's right of suffrage). Election results were judged according to a parallel scale: "credible," "tolerable," "questionable" and "failure."

Based on these criteria, not a single election district (out of a total of 91 nationwide) enjoyed a "desired" election process. About 41 per cent of districts had "tolerable" elections, 38 percent had "intolerable" while 21 percent were classified as having undergone "abusive" polls.

Despite the generally poor quality of the election process, 12 districts still managed to post "credible" election results. These were the provinces of Batanes, Marinduque, Mindoro Oriental, Albay, Camarines Norte and Sur, Eastern Samar, Camiguin, Misamis Occidental, Davao Oriental and Zamboanga City.

This was matched, however, by 13 districts where the election results were considered outright "failures." Namfrel also considered the results in 34 districts--or 83 per cent--"questionable."

Based on this, Namfrel concluded that even its own count tended to understate the votes cast for Ms. Aquino and overstate that of Mr. Marcos.

The areas where the election outcome was considered utter failures provide a road map to what may be considered conflict-prone or "warlord" areas in the popular political vocabulary: the town of Makati, the provinces of Isabela, Kalinga-Apayao, Quirino, Tarlac, Cavite, Palawan, Negros del Norte, Negros Occidental, Sulu, Tawi Tawi, Lanao del Norte, Lanao Del Sur and Magindanao.

In these and many other areas of the country, Namfrel received reports of large-scale and massive fraud and terrorism that involved the use of private armies, CHDF [Civilian Home Defense Forces] and regular military units.

While massive centralized fraud and terrorism on the scale of the 1986 elections is not seen as possible under the present administration, the Namfrel report points to several major problem areas that could mar future elections.

One is the voters' list. It remains heavily padded. "In 1984, Metro Manila's voters' lists were padded by as high as 699,000,0 [as printed] the report said. Padded lists are an invitation to fraud "because vote-substitution would be absorbed to the extent that padded lists allow it."

Another problem area is the still unsettled peace and order situation in several parts of the country. Many so-called "warlords" have managed to retain their hold in their respective areas. This may make Namfrel's watchdog duties in future polls still an exercise in collective courage.

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PHILIPPINES

FORMER MINISTER ROBERTO ONGPIN FACES GRAFT CHARGES

HK081259 Quezon City NEW DAY in English 8 Sep 86 p 15

[Text] Graft charges are being readied against former Trade and Industry Minister Roberto V. Ongpin and Vinnie James Yu, former assistant general manager of the National Development Co [NDC], and treasurer of the Philippine Associated Smelting and Refining Corp.

Commission on Audit [COA] chairman Teofisto Guingona said the charges stemmed from unremitted subscription balance amounting to \$3.560 million in the failed joint venture between NDC and Tirad Holding Corp. which is a holding company owned by Saudi billionaire Adnan Khasoggi. The joint venture was named Tirad Asia Ltd.

Among the activities of the joint venture included the promotion of Philippine trade, financing of Philippine projects and investments, and trading with the rest of Asia.

According to a COA report, the joint venture chose the Swiss Bank Corp. based in Geneva as its depository bank for its initial subscription of \$500,000 each. Later, NDC added another \$10,140,000 purportedly as needed capitalization for the joint venture. It remitted the money to the Swiss bank through Pasar's depository bank, the Philippine National Bank in Hong Kong.

According to COA, the remittances consisted of \$500,000 on June 20, 1984; \$7 million on March 7, 1985; \$3 million on March 8, 1985 and \$140,000 on November 29, 1985. NDC acquired the dollars from Pasar and the Philippine Fertilizer Corp.

COA analysis showed that only the initial equity contribution of \$500,000 was authorized by NDC's board of directors. The subsequent remittances were neither sanctioned in agreement between NDC and Tirad nor authorized by NDC's board of directors.

In a memorandum to the COA audit team, Yu said that "plans did not push through as expected." Yu said Tirad Asia Ltd. returned \$7 million. But the audit team found that Pasar actually recorded the refund of \$7.08 million on November 7, 1985. To date, the balance of \$3.560 million remained unaccounted for, the COA said.

In spite of the \$7.08 million refund, indicating the failure of the joint venture and recorded in the books of Pasar on November 7, 1985, Yu still did not remit the balance of \$140,000 on November 29, 1985.

The COA said Yu attempted to explain the unreturned balance of \$3.560 million through an undated shareholders' resolution stating that NDC and Tirad agreed to increase the authorized capital stock of the joint venture to \$7 million. The resolution has Khasoggi and Ongpin as signatories but "no NDC resolution supported the shareholders' resolution."

Guingona said the shareholders' resolution did not explain the remittance of more than \$10 million by NDC, nor did it explain the admission that "plans did not push through as expected."

Guingona said his officer has declared the memorandum of agreement between Tirad and NDC void from the beginning because of the absence of a certificate of availability of funds showing the presence of appropriations needed to meet contract obligations on the part of the Philippines.

He said the government will demand the return of the \$3.560 million from Tirad Asia Ltd.

COA said the board of Tirad Asia included Roberto Ongpin and Khasoggi as co-chairmen, Rolando Gapud as director, together with Carl Peterson, Yu and Miguel A. dela Campa.

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PHILIPPINES

PRINCESS TARHATA LUCMAN APPOINTED ACTING GOVERNOR

HK090501 Quezon City ANG PAHAYAGANG MALAYA in English 7 Sep 86 p 1

[Text] President Aquino yesterday resolved the political impasse in Lanao del Sur Province by appointing Princess Tarhata Lucman as acting governor. Saidamen Pangarungan, who has been holding the post, was named deputy local governments minister.

The Palace said Lucman was sworn in by the President following her political rift with Pangarungan who was acting officer-in-charge of the Muslim-dominated province.

Lucman, widow of the late Congressman Rashid Lucman, lobbied for the position which she has held until deposed President Marcos launched nearly 9 years of martial law.

"I have always been the legitimate governor of Lanao del Sur since Marcos removed me from office before the end of my term," Lucman told newsmen after her oathtaking.

Lucman is the fifth member of the Alonto clan now holding government positions.

The others were former Sen. Somocao Alonto who is now a Constitutional Commission delegate, Libyan Ambassador Madki Alonto, Deputy Public Works and Highways Minister Mamintal Adiong and Mindanao State University President Ahmad Alonto Jr.

Pimentel said the creation of the Maranao Province was approved by the defunct Congress but was never implemented by Mr. Marcos.

Lucman and Pangarungan also said they were opposed to Pimentel's proposal.

Pangarungan is the chairman of the Mindanao area council of the PDP-LABAN [Pilipino Democratic Party-Lakas ng Bayan] and former assemblyman of Autonomous Region 12 from 1979-82.

Palace observers said the princess was close to the President since Mrs Aquino's husband Benigno had been a close ally of Congressman Lucman who died in Saudi Arabia in 1985 after years of exile.

The President apparently rejected Minister Aquilino Q. Pimentel's proposal to split Lanao Province into two.

PHILIPPINES

PDP-LABAN VIEWS COALITION WITH LIBERAL PARTY

HK051539 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 5 Sep 86 pp 1, 3

[Article by F.V. Maragay]

[Excerpt] Local Government Minister Aquilino Pimentel, Jr. said yesterday an alliance may be formed between the PDP-LABAN [Pilipino Demokratic Party-Lakas ng Bayan] and the Liberal Party [LP] to boost the chances of the political parties supporting President Aquino to win in the forthcoming elections.

Pimentel, leader of the PDP-LABAN, said he saw no hindrance to draw the LP wing of Minister Jovito Salonga into the proposed alliance but he said he was not sure whether the LP wing of former Sen. Eva Estrada Kalaw will join them.

Nothing that the PDP-LABAN and LP (Salonga wing) are both well represented in the Aquino government, he said that "we are already in bed together and the only thing that is lacking is our "formal marriage."

Earlier, former President Diosdado Macapagal, an LP stalwart, expressed his support for the coalition between the PDP-LABAN and the LP, saying the two parties are "natural and logical allies."

Pimentel expressed his openness to coalesce with political parties "with likeminded persuasions" in the wake of threats that the Unido [United Nationalist Democratic Organization] headed by Vice President Salvador Laurel may break from the ruling coalition to join forces with the revitalized Nacionalista Party [NP] (Roy Wing).

The Unido is an umbrella group dominated by politicians who are affiliated with another wing of the NP headed by former Speaker Jose Laurel, brother of Salvador.

The Unido is increasingly becoming uneasy and dissatisfied with what it considers the lopsided sharing of power in the Aquino government in which the PDP-LABAN is getting the upperhand.

Ex-Speaker Laurel, one of the old guards of the NP, expressed his desire to put together all the splintered groups of the NP under one organization, including those now affiliated with the KBL.

Pimentel, who used to downplay Unido's position in the Aquino government, has lately been showing a more conciliatory attitude toward the Unido, a gesture seen by political observers as intended to save the existing pro-Aquino coalition of parties.

Pimentel admitted that a collapse of the PDP-LABAN and Unido coalition will greatly diminish popular support for Mrs Aquino, and will leave the PDP-LABAN alone as the ruling party.

Asked if it is necessary for Mrs Aquino to form a grand coalition of parties (to be called People's Power Party), Pimentel said he will leave that to the President.

"If it is her desire to be active in politics, the move may be a wise one. But if she has no further political ambition after her term, I do not think it is necessary for her to do it," he said.

In response to a query if President Aquino will actively support candidates from the ruling coalition, the local government minister said she will probably support her own choices.

For instance, he said that "the President is not bound by the OICs [Officers in Charge] whom we have designated in the local government units. She can have her own candidates," Pimentel stressed.

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PHILIPPINES

KBL HITS IMPORT LIBERALIZATION SCHEME

HK091515 Quezon City BUSINESS DAY in English 9 Sep 86 p 15

[Text] The Aquino government's import liberalization program that will allow the importation of even rice, corn, vegetables, fruits, poultry, and livestock will render national socioeconomic recovery impossible and inflict more hardships on the country's already suffering workers and producers.

This was stated yesterday by the Kilusang Bagong Lipunan (KBL) which said "the program is self-defeating; it reflects the stark inconsistency and incompetence of the Aquino government to manage the country's affairs consistent with constitutional and democratic processes.

"Import liberalization of even the items that can locally be produced will gravely prejudice not only the manufacturers but also the farmers and their dependents who constitute over 70 percent of the country's 55 million population," the KBL said in a press statement.

It added, "The program will make the country the dumping ground for the surplus products of the United States, Japan, and other foreign countries who will continue to make the Philippines economically stagnant and backward.

The statement was issued by KBL leaders composed of former Sen. Arturo M. Tolentino as party titular head; former Speaker Nicanor Yniguez as acting president; former Member of Parliament Salvador Britanico as acting secretary-general; former Governors Ali Dinaporo, Vicente Magsaysay, and Isidro Rodriguez, and former Ministers Conrado Estrella and Salvador Escudero III.

The KBL leaders also stressed that the import liberalization program will cause worse unemployment and inflict greater hardships on the country's farmers whose standard of living has sunk further below the poverty line with their daily incomes reduced to less than P20.00.

"The program together with the suspension of the Agricultural Incentives Act of 1986 and the reduction of the government's palay buying price from P3.50 to 3 per kilo confirm the hypocrisy of the Aquino government's repeated promises to pursue national socioeconomic recovery based on agricultural expansion," the KBL said.

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LETTER OF INTENT TO IMF DETAILED, RECOMMENDED FOR APPROVAL

HK081239 Quezon City NEW DAY in English 8 Sep 86 p 15

[Article by Daniel C. Yu]

[Text] The agonizing wait for International Monetary Fund action on the country's economic program for the next 18 months will soon be over. The IMF executive board is set to consider a recommendation by the IMF managing director that the Philippine letter of intent be approved. If the process proceeds smoothly, approval will come by October.

Senior Philippine monetary officials headed by Finance Minister Jaime V. Ongpin and Central Bank Governor Jose B. Fernandez, Jr., will thus leave the country during the weekend to begin exploratory talks with creditor-banks of the country.

Ongpin, who is part of the advance party of President Aquino who will visit the United States starting September 15, said he will begin these exploratory talks next week.

IMF approval of the Philippine letter of intent is critical to trigger a new round of talks with the commercial banks on the restructuring of \$6 billion to \$9 billion in loans due from 1987 to 1991.

As soon as the IMF managing director, Hubert Neiss, endorses the Philippine program, the country can already begin talks with commercial banks on the restructuring plan. It normally takes the IMF executive board two to four weeks to approve a country program. In two of the four weeks, however, Philippine monetary officials can already begin talks with the banks.

The Philippine letter of intent contains key policy measures which the government has committed to undertake to achieve economic recovery in the short term and sustainable growth in the long run.

The letter of intent, a draft of which was made available to NEW DAY, also contains the government's request for a standby arrangement for 18 months with drawings from the IMF standby credit facility in the amount of 198 million Sdrs [special drawing rights] (\$238 million) and also availment of the Fund's compensatory financing facility of 224 million Sdrs (\$270 million).

The program aims for economic recovery starting in the second half of the year so that the gross national product (the sum total of goods and services produced this year) will increase by 1.5 percent. The recovery will be sustained so that by 1987, the economy will grow by at least 5 percent.

In addition, substantial leeway in public investments, money ceilings, and other key economic indicators has been set in order to allow the government room to trigger a return to growth starting this year.

The letter of intent contains various policy reforms which the government has committed to undertake as part of the internal structural reforms critical for sustainable growth.

Key policy reforms include: reform of government financial institutions, principally the reduction of government involvement in banking; sale of government non-financial corporations and government-acquired assets; overhaul of the country's tax structure; implementation of the long-delayed import liberalization program; reforms in the sugar and coconut industries.

In a telex to the Philippine Government the other day, Neiss, head of the Fund's staff mission that conducted over two weeks of talks with Philippine monetary officials, said he intends to favorably endorse the letter of intent by September 15.

With this endorsement, Neiss said, he expects the IMF executive board to approve the Philippine letter of intent by next month.

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PHILIPPINES

CENTRAL BANK MOVES PROMPT RESERVE MONEY RISE

HK091507 Quezon City BUSINESS DAY in English 9 Sep 86 p 2

[Article by Daniel C. Yu]

[Text] The credit relaxation moves taken by the Central Bank [CB] in recent weeks have resulted in a substantial flow of fresh funds into the monetary system and have prompted a steep rise in the level of reserve money, latest CB statistics showed.

The reserve money, consisting of deposit balances of banks and currency in circulation, shot up by over P2 billion in just one week during the period August 18 to 22 principally as a result of the CB's credit expansion efforts.

Reserve money during the period stood at P29,349 million, an increase of P2,172 million from the weekago level of P37,177 million and 18.7 percent higher than the yearago level of P33,158 million.

The CB can now loosen its grip on the reserve money since it was already given the go signal by the International Monetary Fund (IMF) to depart from the austerity program which was in place in the last 18 months.

One major step taken by monetary authorities last month was the reduction of the reserve requirement by one percentage point to 21 percent which released close to P1 billion of previously blocked deposits used as legal reserves by the banks into the system.

Actually, the CB has been reducing the reserve requirement since September last year in a bid to push down interest rates and reflate an economy that may slide into a recession after two years of severe austerity.

Commercial banks, which are really the main beneficiaries of increased funds in the system since they can lend more, are however worried that despite the looser credit measures of the CB, banks may end up with more problems.

The principal reason for this worry is the continuing depressed demand for loans. Banks are today highly liquid but they can find very few qualified borrowers.

The over-liquidity of commercial banks is reflected in the system's overall reserve position which, according to the latest CB data, is in deficit by only P414 million compared to P5.1 billion in March this year. Commercial banks combined have in fact managed to post an excess reserve position during the third week of July.

In addition to the reduction in the reserve requirement during the period, another reason for the sharp rise in reserve money was the CB's outstanding credit to the national government.

Data available, however, showed that CB credits to the government (net of deposits) were fairly stable during the period at P6,570 million compared to the weekago level of P7,025 million.

The level of rediscounting credits for the period, another reason for the substantial rise in reserve money, was also fairly stable at P12,029 million compared to the weekago level of P12,157 million.

Joint estimates made by monetary authorities and the IMF during their recent talks for a new standby arrangement for the Philippines covering the next 18 months actually provided for a much higher reserve money ceiling for this year.

In the Philippines' letter of intent submitted to the Fund, a reserve money level of P246 billion at the end of this year was agreed between the government and the IMF staff mission.

This means that monetary authorities are likely to allow the reserve money to rise toward the end of this year in a bid to push down interest rates further and attract borrowers. This it will undertake through such measures as a further reduction in the reserve requirement.

Savings deposit rates have gone down to an average of 8.4 percent from their yearago average of 11.85 percent. Lending rates, on the other hand, for triple A borrowers have gone down to as low as 12 per cent to 13 percent in some banks. However, there is still very little activity for banks.

With so much excess funds in their hands and with prospects that monetary authorities are likely to further increase liquidity in the system, some bankers are worried that banks will be paying more to hold on to these idle funds than what they can earn from the limited lending activity going on at the moment.

Some bankers pointed out yesterday that while the CB's credit loosening moves are meant to push down interest rates to attract borrowers, what is happening now is that these measures are simply adding on to the already over-liquid condition in the system.

"Interest rates can only go down so much and after that, no amount of credit loosening measures could push it down any further," one banker explained, adding that many banks have already cut their overheads to the barest minimum but are still unable to meet the cost of carrying so much excess funds.

This profit squeeze, with sources of revenues thinning out and the cost of carrying excess funds building up, is forcing many banks to actively search for qualified borrowers or for business ventures they can invest in.

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PHILIPPINES

ECONOMIC GROWTH PREDICTED FOR COUNTRY IN 1987

HK091547 Manila THE MANILA JOURNAL in English 8 Sep 86 pp 1, 9

[Article by Teddy Owen]

[Text] No growth in the national economy can be expected this year but recovery is predicted in 1987 when business begins to feel the benefits of tax restructuring, import liberalization, price decontrols, less government involvement in business and lower bank intermediation costs.

In fact, the second semester of this year will be worse than the first semester with a drop of 0.5 percent this semester compared to the flat growth rate noted during the first six months of the year.

These predictions were announced by Bernardo Villegas, Constitutional Commission member and senior vice president of the Communications Research Center (CRC), based on studies undertaken by Omar T. Cruz, head of the CRC economic forecasting unit, and staff members Francisco G. Trinidad, Arne B. Dimanlig, Scholastica D. Cororaton and Sergio S. Marquez.

The drop in income during the last six months of the year would largely be due to the decline in total government expenditures, Villegas said. Public investments will drop by 52 percent compared to the 20 percent drop earlier this year, he said. Likewise, government consumption expenditures will show a flat growth compared to the 20 percent increase in the first semester. All these will be due to financing constraints, he added.

"Unfortunately, far from what almost everybody seems to be hoping for, economic growth may not come quickly," he said. "Business has taken a cautious stance as it waits for the political situation to settle down and for the government to come out with a [word indistinct] economic recovery program. The government's inconsistent pronouncements on labor-management relations, external debt, foreign investments, import liberalization and tax restructuring have all dampened business initiative," he pointed out.

Villegas said that with business at a standstill, government had to take the lead in stimulating economic activity. He noted a growth deficit of P23.2 billion (Economic Support Funds from the United States are considered as non-tax revenue), was projected to stimulate growth. This assumes a 98 percent increase in infrastructure spending and 60 percent growth in the government's operating and maintenance expenditures, he said.

Villegas said three factors made it impossible for economic growth this year, namely:

Government may not be able to meet its targeted revenue collection of P87 billion.

Foreign financing will be limited. While the government has asked for \$1.08 billion from foreign governments, to finance the deficit, so far it has raised only \$501 million.

The bulk of the increase in government expenditures will be lent to ailing government corporations. Thus, though the CRC forecast a P22 billion budget deficit, expenditures are forecast to be lower than the government's targets.

Villegas predicted an overall drop of 0.2 percent in the economy this year. He said the almost flat growth was largely due to the increase in government consumption expenditures in the first semester because of the February snap election spending.

"Prices will rise slightly in the second semester this year," he said. "The peso-dollar will reach P20.60 to the dollar compared to the first semester figure of P20.31 to the dollar. The inflation rate will also rise to 4 percent compared to the first semester rate of 2 percent. On the other hand, interest rates will be only 17 percent compared to the first semester rate of 19.56 percent."

The increase in the cost of money is due to a firming up of treasury bill rates as the government seeks to fill up its budget deficit, Villegas said. He said P18 billion worth of bills are expected to be floated while current rates are pegged at 13 percent but rates were expected to firm up at 15 percent.

"The new treasury bills will have no adverse effect as they did last year, given the relative stability of the peso and the very low inflation rate," Villegas said. "Inflation is expected to rise because of the increase in the cost of the money and the increase in reserves of about P7 billion as the Central Bank finances the government budget deficit."

Because of the expected higher inflation by the close of the year, the peso will depreciate further to the estimated P20.60 to the dollars, Villegas said. Another reason for the peso depreciation would be the increase of imports in the latter part of this year because of the higher seasonal demand and in preparation for 1987, he said.

"For the whole of 1986," Villegas said, "inflation will be at three percent, interest rate at 18.28 percent, and the exchange rate of P20.60 to the dollar. While the stability in prices has been partly due to an effective monetary policy and to domestic factors that is, consumer's low purchasing power, the drop in the landed price of crude oil prices from about \$29 per barrel last year to \$18 per barrel this year was a major contributory factor in price stability."

Villegas forecast the gross international reserves of the country this year at \$1.496 billion compared to last year's \$1.061 billion.

PHILIPPINES

COMMUNIST PARTY CONDITIONALLY TO BE ALLOWED IN ELECTIONS

HK030956 Manila THE MANILA TIMES in English 3 Sep 86 p 16

[Text] Dumaguete City—Political Affairs Minister Antonio Cuenco said the Communist Party of the Philippines (CPP) may enter the political arena provided it renounces violence as a means to attain its objectives.

Cuenco told local mediamen that his proposal to the Constitutional Commission for a multi-party system in the coming local elections has been approved.

He said if the Communist Party will participate in the elections but will use underground support with arms, then that violates the concept that all those who will enter into the political arena must renounce violence as a means of attaining their objectives.

In proposing the multi-party system in the coming elections, Cuenco said this way, "We will be able to eliminate the traditional two-party system which has been enshrined in both the 1935 and in the 1973 Constitutions.

He said under those two Constitutions, only the majority and the minority parties are entitled to membership in the Commission on Appointments and that these two parties are the only ones entitled to election inspectors whose salaries are paid for by the government.

Cuenco said his proposal for a multi-party system would enable all political parties to join the coming polls without discrimination. He said his proposal would do away with party inspectors, but every candidate shall be entitled to one watcher.

Cuenco also said that elections for local congressional and senatorial posts will be held simultaneously not later than the month of April next year.

Cuenco said his observation was based on the performance of the Constitutional Commission.

Cuenco, however, made it clear that he was not advocating block voting, noting that he had been a rabid opponent to block voting during the Marcos regime.

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CSO: 4200/1410

PHILIPPINES

NDF CLARIFIES RULES FOR CEASEFIRE NEGOTIATIONS

HK041351 Manila MANILA BULLETIN in English 4 Sep 86 pp 1, 16

[Text] The National Democratic Front (NDF) has proposed that the ceasefire talks be held in Metro Manila and that its suggested ground rules for the negotiations be published in full in at least two newspapers of general circulation.

"We have no intention whatsoever of negotiating behind the backs of our people," said NDF leaders Satur C. Ocampo and Antonio Zumel in a statement released to the media yesterday.

The statement came in the heels of criticisms hurled by some government officials, including Defense Minister Juan Ponce Enrile, and newspaper columnists on the NDF's proposals for security guarantees, immunities, and other issues.

Enrile had earlier charged that the NDF, in entering into the peace talks, was seeking to achieve a belligerency status and claiming the right to represent the Filipino people. The charges were disputed Tuesday by lawyers of the NDF.

"We are still at a preliminary stage of our talks with the government, trying to tackle the necessary preparations so that our negotiations can start in earnest," Ocampo and Zumel said. "But already we are being subjected to the machinations of people who wish the negotiations ill."

Last August 18, they said, the NDF presented to the government negotiators, Agriculture Minister Ramon Mitra, Jr. and Audit Commission Chairman Teofisto Guingona, a list of proposals to facilitate the peace talks.

They said they expected a meeting with the government panel on the draft four days later. "We have been waiting for more than two weeks now and still have to receive the government negotiators' written comments."

The two stressed the need to refrain from publicizing specific provisions of the proposals "because we did not want to get entangled in a public debate on their merits or demerits which could be better carried out in private."

Ocampo and Zumel, both former newsmen, berated as "malicious" the leaking of "distorted versions" of the proposals to certain media quarters, "especially columnists known to hold prejudiced and hostile views" toward the NDF and its member groups.

"Having been mass media practitioners of long duration ourselves, we are very familiar with this sort of trickery," they said. Ocampo is a former assistant business editor of the MANILA TIMES while Zumel was news editor of the MANILA BULLETIN. They joined the underground in 1972.

The NDF leaders said they want to hold the negotiations "in a suitable place in Metro Manila that would be accessible to the public."

"The peace talks would be taking up vital questions that directly touch the lives of our country and people," they said.

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CSO: 4200/1410

PHILIPPINES

FORMER MP DEFENDS ENRILE'S COMMENTS ON PEACE TALKS

HK091519 Quezon City BUSINESS DAY in English 9 Sep 86 p 12

[Text] Defense Minister Juan Ponce Enrile should be allowed to comment on the ongoing negotiations for a peaceful settlement of the insurgency problem because he presents another point of view, Homobono Adaza, former member of parliament and now director of the food and beverage giant San Miguel Corp., said yesterday.

Speaking at the weekly Kapihan sa Maynila [Manila Coffee Shop] forum at the Manila Hotel, Adaza said Enrile has every right to speak out his mind and "I think what he is doing is right."

He added that Enrile's comments which have been labelled as "maddling" by Agriculture and Food Minister Ramon Mitra, chief government negotiator in the peace talks; Local government Minister Aquilino Pimentel; and, of late, Justice Minister Neptali Gonzales in a way serve a purpose—it gives the negotiators, particularly those from government, another point of view.

The perpetually smiling Adaza disclosed to Kapihan habitués that even Mitra, in a tete-a-tete with him, admitted that he (Mitra) favors what Enrile has been doing. "I don't know if I'm making a breach of confidence but even Monching (Mitra) admitted that he appreciates what Enrile is doing."

Thus far, the defense minister had expressed his disagreement with the terms and conditions sought by the National Democratic Front for the conduct of the peace negotiations. But Mitra said Enrile "is maddling." Pimentel asked Enrile to resign if he cannot agree with government policies. And Gonzales urged the defense minister to shut up lest he jeopardizes the talks.

"You may call me an apologist for Enrile but I believe what he's doing is right," Adaza said, smiling.

Commenting on the Aquino-Misuari talks, the former member of parliament said the talks were the "best thing that could happen to Mindanao and to the government."

The only thing that marred an otherwise brilliant move is that Nur Misuari, recognized leader of the Moro National Liberation Front (MNLF), "gained stature" when the talks were held in Mindanao, Adaza commented.

He said President Corazon C. Aquino showed courage to "go to the lair of the MNLF" in Muslim Mindanao. This is a "very striking contrast" to former President Marcos who did not even dare go to Mindanao in more than 10 years, he added.

However, Adaza expressed disagreement over the granting of autonomy to Mindanao.

"Misuari has a different concept of autonomy, so with the Cordillera people," he said, adding that he would rather go for federalism "which is more tailored to the Philippine situation."

He said in his previous talks with Misuari, he informed the MNLF leader that the government would never allow the partition of [words indistinct].

On the forthcoming official working visit of President Aquino to the United States, Adaza said he does not consider what Philippine Ambassador to the United States Emmanuel Pelaez said were the reasons for the state visit as valid.

Adaza said that according to Pelaez, the President is going to the United States to get a favorable response to the proposed restructuring of Philippine loans, convince American businessmen to come and invest here, and to seek aid to balance the budget. "These are not valid reasons," he stressed.

For one, he said the former president did not have to go to the United States to have our loans restructured. For another, American businessmen will not invest in the country just because of the visit.

"These businessmen will come here for the love of profits and as long as local businessmen are not moving, they will stay away," he said. "I don't think the visit will do all these."

Regarding the U.S. military facilities in the country, Adaza said the Americans should be asked to leave once the bases agreement expires.

He said even American officials "admitted" to him that the military bases here are designed to protect the United States and not the Philippines.

"As a matter of fact, we are in even greater danger of nuclear annihilation with the presence of the U.S. bases," he said.

Adaza said based on the information he had received, the Soviet Union is even willing to withdraw its troops in the Asian region once the U.S. leaves the Philippine military installations.

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CSO: 4200/1410

PHILIPPINES

OFFICIAL SAYS BULACAN POTENTIALLY SUBVERSIVE AREA

HK091533 Manila PHILIPPINE DAILY INQUIRER in English 9 Sep 86 p 6

[Text] Malolos, Bulacan—"Bulacan is a potential subversive country [as published], and civilian officials here should act at once and help the military, or else..."

This was the gist of Deputy Defense Minister Wilson Gamboa's message in a conference with local military and civilian officials here recently.

Gamboa said he based his observation on reports that subversive elements are operating extensively in the province.

He said that although the lure of insurgency in the province is not widespread at present, "we cannot avoid spillovers because Bulacan shares common borders with critical provinces and its proximity to Metro Manila is a factor to be considered by those concerned."

At the same time, Gamboa pointed out that while the Communist Party of the Philippine (CPP) and its military arm, the New People's Army (NPA) are basically Maoist-oriented, "their new struggle has long abandoned this theory."

"It's now simultaneous assaults from countryside and urban centers, which are found effective by the rebels in the Philippines," Gamboa said.

Citing historical events in Malolos and in Biak-na-Bato, Gamboa noted that Bulacan is basically embraced by the "revolutionary spirit," and this factor is enough for the insurgents to gain more ground in the province in their politicalization campaign.

He said that if local officials will remain complacent and leave this problem solely to the hands of the military, "Bulacan can become another Negros Occidental or Cebu or Bohol, which are NPA-infested countries [as published] today."

According to the former assemblyman from Negros, what happened to these provinces are unthinkable five years before," adding that Bulacan is no exception to this abnormal development.

Gamboa summed up the insurgency situation in the country as a result of "politico-socio-economic inequities."

Governor Roberto Pagdanganan, reacting to Gamboa's discussion, assured military officials that his office will be all-out in coordinating with them regarding the maintenance of peace and order in Bulacan.

Meanwhile, PC [Philippine Constabulary] Provincial Commander Col. Leandro Mendoza reported that two subversive groups are currently operating in the province: The CPP-NPA and the Partido Komunista ng Pilipinas (PKP) with its armed wing the Hukbong Mapagpalaya ng Bayan (HMB) [People's Liberation Army].

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CSO: 4200/1410

PHILIPPINES

CHRONICLE EDITORIAL LAUDS JOLO PEACE MEETING

HK091535 Manila THE MANILA CHRONICLE in English 9 Sep 86 p 4

[Editorial: "Democracy the Larger Context of the Jolo Peace"]

[Text] The historic meeting in Jolo between President Aquino and the leader of the Moro National Liberation Front, Nur Misuari, has started the process of negotiations leading to the political settlement of the 14-year Muslim secessionist rebellion. The agreement to cease hostilities and to resume negotiations constitutes the first step in the process.

It is premature at this stage to assess the prospects of ending the rebellion, given that there are plenty of pitfalls on the issue of autonomy for what Mr Misuari calls the "Moro homeland"--which is easily the most contentious issue. What must be emphasized is that the peace talks are to resume under a new set of realities in Mindanao and Sulu.

The first of these realities is that Mr Misuari has demonstrated at the Bangsa Moro congress in Maimbung, Sulu, last week that he has consolidated his leadership of the MNLF after it had been split into at least three factions in the late 1970's.

The second is that the decision by Mr Misuari to enter into negotiations with the Aquino government is backed by Libya, the main sponsor of the MNLF and its principal source of material aid, and by the Organization of Islamic States.

The third is that although Mr Misuari still talks of an independent Moro Bangsa homeland for all of Mindanao, Sulu and Palawan, he has also indicated that a separate Moro republic might be an impossible dream and that he is willing to talk about the scope of autonomy.

The fourth is that he has insinuated that he recognizes the implication that the peace talks could strengthen the stability of the new democratic government and that its survival is in the interests of the cause of Moro autonomy.

Finally, the Jolo meeting was a show of force for the MNLF. It demonstrated its rehabilitated military capability before the Armed Forces of the Philippines.

The significance of these circumstances for the prospects of fruitful negotiations is that the government is at least assured that it is dealing with a Moro leadership that is in command and that its commitment can be accepted down the line. It is also a more confident leadership that can lend stability to the negotiations.

In fact, after the agreement for cessation of hostilities was announced, Mr Misuari was given by the Mainbung congress the mandate to go ahead with the negotiations.

A new process has also been set in motion. It is that the negotiations will call into the agenda that interests of the other [words indistinct], especially the large Christian communities who themselves believe, as the Muslims do, that they have been neglected by the central government.

Mr Misuari's Moro homeland concept is designed to embrace the interests of these communities, hence he never accepted the secession movement as concerning only the Muslim inhabitants of Mindanao and Sulu.

Given these complex mixture of interests, one can only foreshadow the difficulties facing the negotiations. But the most hopeful development seems to be that Misuari is not entangling the Mindanao Sulu problem with the other insurgency—the communist rebellion over which separate efforts are being made by the government for a cease-fire.

Mr Misuari has indicated in some of his interviews that he did not want to topple the government because he did not want to deliver it to a military dictatorship. This is a recognition that still the best chances of returning peace to Mindanao are in negotiations with a democratic government. That is the larger context of the peace talks that must not be ignored.

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CSO: 4200/1410

PHILIPPINES

BRIEFS

HYDROELECTRIC POWER PLANT--Manila, Sept. 9 (BERNAMA)--President Corazon Aquino of the Philippines has inaugurated the Pulangui IV [Roman four] Hydroelectric power plant in symbolic switch-on ceremonies at Malacanang Palace. President Aquino said the launching of the project was in line with the new government's promise to bring development to the neglected Mindanao region. The National Power Corporation (NPC) operates the 255 megawatt power plant which is located in the southern part of Valencia, Maramag, Bukidnon. It is the first of a series of six plants to be constructed along the Pulangui River Basin. With its integration to the Mindanao grid, Pulangui IV [Roman four] helps firm up and stabilise the grid's power supply. Pulangui IV [Roman four] was built at a cost of 1.869 billion pesos. Of this amount, U.S.67.48 million is in foreign exchange while the peso counterpart is placed at 653.4 million pesos. Pulangui IV [Roman four] is expected to save the country some 1.6 million barrels of oil or a foreign exchange savings equivalent to U.S.16.70 million. [Text] [Kuala Lumpur BERNAMA in English 1025 GMT 9 Sep 86] /8309

NEW ENVOYS TO LIBYA, JORDAN--The Foreign Ministry has started filling up vacancies in Middle East diplomatic posts to placate Arab hardliners reportedly wary of the Philippine policy toward the region. Padre Faura [street address of the Foreign Ministry] yesterday announced the appointment of former Gov. Madki Alonto, a well known Muslim leader, as the new ambassador to Libya. The new ambassador, a brother of former Senator Domocao Alonto, a member of the Constitutional Commission, is leaving for Tripoli tomorrow. Libyan officials have reportedly noticed the long vacant post of Philippine ambassador in Tripoli since the death of Ambassador Rodolfo Tupaz, some three years ago. The foreign office has also recently dispatched Ambassador Juan V. Saez to Jordan. An unspecified number of vacancies are also existing in the Middle East but their locations have been withheld until the proper appointments have been made. [Excerpt] [Manila THE MANILA JOURNAL in English 9 Sep 86 p 12] /8309

NEW NAVY CHIEF--Commodore (Tagumpay Javellano) will serve as acting flag officer in command of the Philippine Navy starting tomorrow. He will replace Rear Admiral Serapio Martellano who is retiring. The turnover ceremony will take place at the Navy headquarters on Roxas Boulevard and will be attended by Defense Minister Juan Ponce Enrile as guest of honor. [Text] [Manila Far East Broadcasting Company in Tagalog 1100 GMT 5 Sep 86] /8309

MARCOS LOYALIST CHARGED--Manila, Sept 9 (AFP)--An ally of deposed Philippine President Ferdinand Marcos was charged Tuesday with the murder last month of another pro-Marcos leader, a state prosecutor said here. Pro-Marcos "loyalist" leader Fernando Diaz was freed on bail after the criminal suit was filed against him at a Manila court, according to prosecutor Porfirio Macaraeg. Mr. Diaz, who leads protests in support of Mr. Marcos here, has been in jail since late last month after police identified him as the gunman who killed fellow Marcos supporter and lawyer Felizardo Lota August 19. Police said the killing arose out of a dispute over disbursement of loyalist funds, but pro-Marcos leaders deny the theory and charge that the killing was perpetrated by pro-government entities. The case reached the court Tuesday after Mr. Diaz's lawyers waived any further preliminary investigation on the basis of the evidence on record which Mr. Macaraeg used against him. "The prosecution, as a magnanimous gesture to the defense... acceded to let the court grant bail to the accused," Mr. Macaraeg told reporters. Bail was set at 40,000 pesos (1,951 dollars). [Text] [Hong Kong AFP in English 1328 GMT 9 Sep 86] /8309

CSO: 4200/1410

THAILAND

FARMERS APPEAL TO PREM ON U.S. SUGAR 'DUMPING'

BK310444 Bangkok BANGKOK POST in English 31 Aug 86 p 1

[Text] Udon Thani--The president of the Northeastern Sugarcane Farmers Association, Sahat Udomphanit, yesterday urged Prime Minister Prem Tinsulanon to take action against U.S. dumping of subsidised sugar. He told a meeting of 3,000 sugarcane planters in Kumphawapi district that many farmers were on the brink of disaster. To emphasise his point he demanded a token four thousand million baht in reparations from the U.S. Government for damage he claimed had been caused to the local sugar industry by the U.S. action.

The demands were listed in a letter addressed to Prime Minister Prem urging strong government measures in the wake of a recent 145,850 tonne U.S. sugar sale to China at 4.75 cents a pound, a record low price that caused world sugar prices to plunge to 4.9 cents a pound from between 6 to 9.5 cents.

Mr Sahat read the letter to the meeting, chaired by Deputy Commerce Minister Prachuap Chaiyasan.

Last Wednesday a group of sugarcane planters, refiners and traders gathered at the U.S. Embassy to present a protest note to U.S. Ambassador William Brown over the U.S. sugar sales.

Mr Sahat claimed that the U.S. Government was also planning to export more than 200,000 tonnes of sugar soon. "This new U.S. action will inevitably cause world prices of sugar to slide even further," he claimed. "The U.S. has acted without regard for its friendly neighbours and its action will affect world sugar industries, particularly Thailand. Thai sugar industry will collapse, and Thai farmers are facing disaster, even bankruptcy. It is inevitable," he said.

Condemning the U.S. action as "senseless and unhumanitarian," Mr Sahat said that the demand for reparations was to cover past and future damage sustained by Thai sugarcane planters. Mr Sahat later gave the letter to Deputy Commerce Minister Prachuap for submission to the Prime Minister. Mr Prachuap said that after a trip to Uruguay from 15-20 September he would go to the United States to talk with Congressional representatives about various protectionist farm bills awaiting House consideration.

Udon Thani MP Somphap Siworakhan (Ratsadon), the secretary-general of the United Association of Sugarcane Planters of Thailand, compared the recent dumping of U.S. sugar to the atomic bombs dropped on Japan. "If sugarcane planters fail to act on this matter, another 'bomb' may be dropped on us," he warned.

THAILAND

BANGKOK POST VIEWS TRADE RELATIONS WITH U.S.

BK100108 Bangkok BANGKOK POST in English 10 Sep 86 p 6

[Editorial: "Time To Count the Consequences"]

[Text] Thai-American relations have been on a roller coaster for the last ten years or so. The ebbs and flows predictably began with the policy adjustments needed to meet the changed circumstances in the wake of the Vietnam War. There was a natural erosion of confidence in the United States and its protective "umbrella" bestowed by the Manila Pact. The "umbrella" had proven to be leaky and the postwar turbulence only subsided when ACM [Air Chief Marshal] Sitthi Sawetalla took control of the Foreign Ministry and things began to take a turn for the better. Finally, with the ushering in of the Reagan Administration, both Thailand and America returned to the tradition of equating relations among people and endowing that relationship with the qualities of personal friendship.

This is as it should be, and no one is really to blame for any "turbulence." In the words of our Foreign Minister, "the extensive, close and long-standing relations between Thailand and the United States is fundamental to the stability and security of Southeast Asia which is of strategic importance to the Asia-Pacific region as a whole." Thai and American soldiers stood side by side from the muddy fields of France in the First World War to the tropical forests of Indochina some fifty years later. To both the Thai and American people, after more than 150 years of close relations, the ties can be considered to be binding in every sense of the word.

It is because of this deep sentiment that exaggerated expectations are often raised which can not possibly be fulfilled all the time. Inevitably, strains in the relationship have developed particularly when they deal with the well-being of the two peoples. At first the squabbles may be taken as a sign of maturation of the relationship. But now the tensions have gained their own momentum and are jeopardising the important common long-term objectives of the two countries.

Conventional wisdom has it that the current difficulties are largely due to the "bullying policy" of the American Government in open contempt of the principles of free and fair trade. To be sure, some of the actions taken by the United States since 1984 can hardly be taken as landmarks in the annals of diplomatic finesse, not only in regard to Thailand but to other countries as

well. The Americans, of course, have their own excuse, and a good one at that, for taking drastic action. The U.S. trade deficit is officially predicted to be in excess of 150 thousand million dollars this year--an astronomical figure. Such a situation cannot be allowed to persist without the American Government taking some remedial, mostly protectionist and at times mercantilistic, steps which unfortunately endanger the whole fragile edifice of current trade practices.

Meanwhile on the Thai side it is important to remember that the United States is now back as our number two partner among the developed countries after Japan, replacing even the European Economic Community. But more important is the fact that it is Thailand which enjoys a healthy--and growing--trade surplus. The tally for the first six months of this year shows a phenomenal increase of 18 percent in Thailand's favour; the surplus is expected to grow even bigger by the year's end. Somehow or other it may be concluded that despite all protectionist measures, direct or indirect, Thai products can still penetrate the American market and, with good marketing strategies, can still compete effectively with those of American origin elsewhere in the world. If the Japanese can do it, then we should have good reason not to despair.

But the situation at the moment cannot be said to offer much hope, even though both sides profess to remain true to the principles of free and fair trade not only between themselves, but also in the world at large. This is because up to now, the responses by both sides to their problems have been mostly a series of disconnected ad hoc reactions to specific complaints which arise as circumstances dictate. The seminar which just ended on Thai-U.S. trade last week at Phatthaya did not hold out much promise either. Solving the trade problems between the two countries will involve long-range planning and a coordinated policy. But this requires a major act of statesmanship on both sides and not emotion, such as that expressed in the proposal by a certain MP that Parliament legalise a particularly "ugly" crop to be exported to the United States by way of retaliation for economic wounds inflicted.

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THAILAND

FINANCE MINISTER, DEPUTY DISCUSS POLICY OBJECTIVES

Bangkok BAN MUANG in Thai 15 Aug 86 pp 1, 2

[Unattributed report: "Finance Concerned About Paying Debt of 50 Billion"]

[Excerpts] The three finance ministers met and stipulated a line for working together. Minister Suthi said that although it is still necessary to maintain fiscal stability, attention will be given to expenditures to stimulate the economy, create jobs, and develop the country.

On the afternoon of 14 August at the Ministry of Finance, Mr Suthi Singsane, the minister of finance, met with the two deputy ministers of finance, that is, Mr Suphachai Phanitphak and Mr Praphak Photsuthon, the under secretary of finance, and the director of the Fiscal Policy Office.

After the meeting, Mr Suthi told reporters that they discussed how to work together in order to carry out the ministry's tasks as well as possible. If a problem arises, they will discuss the matter and take joint responsibility. The two deputy ministers recommended fiscal and monetary policies at the meeting.

The minister of finance said that those at the meeting agreed that fiscal policy must continue to maintain stability. Attention must be given to the security of the financial institutions and to public sector and state enterprise expenditures in order to have maximum efficiency.

However, even though it is necessary to maintain fiscal stability, the government will give attention to expenditures aimed at stimulating the country's economy, promoting job creation, and developing the country. Particular attention will be given to exports. This policy will be submitted to the cabinet on 15 August.

When asked whether there will be any problems as a result of the fact that several political parties have submitted policies, Mr Suthi said that he and the two deputy prime ministers know each other very well. This should generate greater vigor in solving the problems. This will give the country's economy new hope.

Mr Praphat told reporters that he knows the minister of finance very well and so he is not worried about anything. Among the problems that must be solved is the tax collection problem. Tax collection is not very fair. The tax structure should be changed to make it fairer.

Concern for the 50 Billion Baht Debt

Mr Suphachai talked about ways to solve the country's economic problems. He said that fiscal and monetary policies will be used to stimulate job creation and exports. We have a three-point policy. First, budget funds will be allocated to those sectors that need money and in ways that will benefit exports and job creation. Second, attention will be given to improving efficiency in collecting taxes. We will hold to the principle of fairness. We will expand the tax base instead of raising taxes. Third is the debt burden. We will probably have to borrow more money in order to stimulate the economy. But this must be monitored closely. As for the old loans, we must negotiate new and more favorable terms. For example, interest rates on world markets have fallen and so we must bargain in order to reduce the country's debt burden.

Mr Suphachai said that the minister of finance feels that something must be done to encourage domestic savings and long-term investment, such as in the securities market. There must be greater flexibility in monetary policy, such as interest rates and fees. Monetary policy must be used to correct fiscal policy.

Mr Suphachai Panitphak, the new deputy minister of finance, responded to a reporter's question about our financial position by saying that the greatest percentage of the government's annual budget must be used to service the old debt, which stands at more than 50 billion baht. This is very worrisome. As for how to solve this problem, Mr Suphachai said that there are two measures that will be used to solve this problem. First, we will try to reduce the debt by changing the terms in order to lower the interest rate. Second, we will change the debt structure. These two measures will help lighten the burden.

At present, foreign currency exchange rates are rather volatile and the price of gold is rising. Mr Suphachai was asked what effect this will have on Thailand's fiscal and monetary position. He said that these things might have some effect. But what we must do is maintain the exchange rates of the important foreign currencies, because that will benefit trade.

A reporter asked about the effects of a stronger yen. The deputy minister of finance said that the fact that the value of the yen has increased will affect certain Thai exports such as canned food, seafood, and textiles. One positive effect is that exports should increase. But this will have a negative effect on our foreign debt. Thailand has borrowed much money from Japan. However, this is not a major concern, because this is a long-term debt.

In conclusion, Mr Suphachai said that we must monitor debt servicing very closely. It is thought that the important foreign currencies that have risen in value will decline. Debt servicing must be adjusted in accord with the rise and fall of the loans that must be serviced.

A reporter asked about the matter of appointing and transferring officials in the ministry. Mr Prachuap Chaiyasan, the deputy minister of commerce, said that he will work with the minister and adhere to what is fair and right. The bureaucracy must have ethical qualities. However, nothing has been said about who will be selected. At present, the matter is under study. A work team is gathering data.

A report stated that Police Cpt Surat Osathanukhro, the minister of commerce, has transferred the Rice Accounting Unit, a lower-level unit, to the Department of Foreign Trade. Its office will be given to one of the deputy ministers. Permission has been requested to use 30,000 baht to build a bathroom. This will be completed this week. Police Cpt Surat will give the old office of the deputy minister to his advisory team.

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CSO: 4207/322

THAILAND

FINANCE OFFICIAL DISCUSSES BORROWING, FISCAL OUTLOOK

BK300247 Bangkok BANGKOK POST in English 30 Aug 86 p 18

[Text] The foreign debt of 56,000 million baht planned to be borrowed in the next fiscal year is the maximum burden the country can shoulder, Permanent Secretary for Finance, Dr Phanat Simasathian, said yesterday. He was speaking after a meeting of the Sub-committee on budget allocation to consider the budget classification in 1987-fiscal year.

Those who attended the meeting were Dr Phanat as the chairman, Budget Bureau Chief Bodi Chunnanon, National Economic and Social Development Board Deputy Secretary General Kosit Panpiamrat, and Bank of Thailand Assistant Governor, Phaisan Kumanwisai.

The fiscal and monetary policies, Dr Phanat said, have been implemented under pressure because of the austerity policy introduced by former Finance Minister Somchai Huntrakun. However, he noted that the conservative policy must be maintained as the Government's cash deficit presently amounts to 5 percent of the GDP, adding the Government does not want its fiscal position to be affected by the growing deficit.

In the past, he said, the cash deficit was around 7 percent of the GDP and the rate will be reduced to 3.5 percent in the next three to four years.

Another policy that must be implemented, he said, is the improvement of the Government's fiscal position by adjusting Government's expenditure in correspondence with the fiscal position. Dr Phanat added that the Government's monetary and fiscal policies were reviewed during the meeting, particularly measures to stimulate the economy. "This was cautiously reviewed because it will reflect the next fiscal year's picture," Dr Phanat said.

Although the target of the revenue collection has been trimmed from 185,000 million baht to only 162,000 million baht, Dr Phanat said he was not quite sure that the trimmed target would be achieved because the target also included the expected revenue from the Sura Thip group. However, the royalty was in arrears by 3,000 million baht.

The Revenue Department, he said, will be speeding to collect taxes remaining in the court which amounts to 12,000 million baht and will also attempt to increase the number of tax payers. The Excise Department will be stimulated

to suppress producers of moonshine liquor. The Customs Department will have to prevent contraband.

In the long run, he said, the structures of tax collected by the three departments will be revised. The International Monetary Fund will also help improve the tax structure, he said. Meanwhile, Revenue Department Director General, Wirot Laohaphan, disclosed that the department had asked the provincial revenue officials and the regional revenue officials to improve their efficiency in collecting taxes.

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CSO: 4200/1411

THAILAND

EDITORIAL NOTES FINANCE MINISTRY CONCERN OVER DEBT

Bangkok BAN MUANG in Thai 5 Aug 86 p 4

[Editorial: "Debt Has Reached the Danger Level"]

[Text] There are reports that the World Bank has stated that Thailand cannot risk borrowing any more money from abroad. The debt now stands at approximately 468 billion baht. If we borrow any more money, we will have to increase tax revenues and revise our monetary policies. However, Thailand needs foreign loans to help implement the Sixth Economic and Social Development Plan. Thailand's foreign debt now stands at 40 percent of the gross domestic product. We have reached the limit. Borrowing any more money from abroad would be dangerous.

Mr Phanat Simasathian, the under secretary of finance, admitted that Thailand's foreign debt is approaching the danger level. The Ministry of Finance and the government have tried to be careful about going deeper into debt. As of 30 June 1986, Thailand's public debt stood at \$9.6 billion. The government owed \$3.4 billion baht. And the government has stood guarantee for \$6.48 billion in loans to the various state enterprises. We have tried to reduce the debt by negotiating a change in interest rates and setting the debt-to-export revenue ratio at 9 percent in 1987/1988. It has been as high as 11 percent.

The bank's warning about the country's debt should be very beneficial to the government, which is responsible for administering the country, and the people, who are responsible for repaying the debt through the taxes paid to the government. Each person is responsible for paying taxes, both directly and indirectly, based on his level of income and is undoubtedly opposed to creating more debt.

The government owes other money besides the 468 billion in foreign debts. It also has domestic debts totaling approximately 100 billion baht. It has borrowed money to invest in state enterprise activities and to cover national budget shortfalls when it can't raise enough money in taxes. In this situation, the people and government should realize that our foreign and domestic debts are at the danger level. The government has tried to economize by eliminating economic development projects and cutting back on construction. This has affected employment. Millions of people are unemployed, and the number will increase every year. The majority of the people are very poor. Only a tiny minority live in luxury. And the government doesn't dare touch them and make them pay their fair share of the taxes.

THAILAND

COLUMNIST COMMENTS ON ECONOMIC DISPARITIES, PERCEPTIONS

Bangkok BAN MUANG in Thai 9 Aug 86 p 5

[Ta Mo Lo column: "Some Say That the Economy Is Good--But Where?"]

[Excerpts] Last week, Professor Pridi Kasemsap and Professor Bunchana Atthakon appeared on the military television's Conversations on the Country's Problems program and discussed the economic problems during the Prem administration. Both of these men are well known in academic and press circles. In particular, Professor Bunchana once served as the minister of economics. Both men are important lecturers and writers on economic matters. Both men agree that the economic situation during the time of the Prem administration has been satisfactory.

The trade deficit has dropped significantly, and the economic growth rate is still about 4-5 percent. Inflation has dropped to only 3 percent. Oil prices have declined, and interest rates have dropped. Professor Bunchana and Professor Pridi are both satisfied with this economic situation. Both said that even though upland field crop prices are depressed, exports have increased. They said that in looking at the economy, you can't look at just one point. You have to look at things as a whole.

Most scholars, the Ministry of Finance, and the Bank of Thailand view the country's economy in the same way as Professor Pridi Kasemsap and Professor Bunchana Atthakon, the former minister of economics. They are all satisfied with the situation.

Professor Bunchana, Professor Pridi, and most other scholars have a very secure financial position. They aren't aware of the "slums" all around them. Actually, these two men were not wrong when they said that Thailand's economy is good or even very good as compared with the general economic situation in the world today. When the figures are calculated, they are very satisfying as far as economists are concerned. But the actual situation is like that portrayed in the pictures that hang on people's walls. These pictures show both heaven and hell. First-class hotels are located right next to large slums. The people live in separate worlds. This is because the country's income is not divided fairly. As the saying goes, "big money absorbs little money." The rich have many opportunities while the poor grow poorer.

Wealthy businessmen are able to take the lion's share of the country's revenues, leaving only a few scraps for the poor farmers, who make up the majority of the people in the country. Thus, farmers and low-echelon employees have fallen into poverty and can't get out. The scholars and economists who control the government's economic policies have overlooked this in their excitement over the figures showing that the trade deficit has declined, that there is a balance of payments surplus, that there are large reserves of capital, that treasury reserves are high, that the economic growth rate is high, that inflation is low, that the national income has risen, and that per capita income has risen.

The average per capita income could (for example) rise to 50,000 baht per year. But the distribution could be very skewed, with one person earning 3 million a year and his clerk earning a pittance. Let's stop fooling ourselves. Let's divide the national income more fairly. It isn't necessary to topple the system. All we have to do is reduce the number of complex business regulations that suck the blood of the majority of people and reduce the exploitation so that the farmers and low-ranking employees receive their fair share of the national income.

If we continue to allow the farmers and employees to grow poorer and poorer, the economy that some say is good will be good for only a short time. Sooner or later, it will collapse.

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CSO: 4207/322

THAILAND

ATHIT MARKS RETIREMENT WITH BIRTHDAY FEAST

BK010546 Bangkok BANGKOK POST in English 1 Sep 86 p 1

[Excerpt] Supreme Commander and former Army Commander-in-Chief General Athit Kamlang-ek marked his retirement from military life yesterday with a birthday feast at his Kesadomon residence attended by over 1,000 well-wishers.

Village Scouts and members of other mass groups as well as military officers turned up to bid farewell to the 61 year old general. Among those who attended the party were Deputy Prime Minister General Thianchai Sirisamphan, Agriculture Minister General Han Linanon, who was Gen Athit's classmate at Chula Chomklao Royal Military Academy.

Prime Minister Prem Tinsulanond called Gen Athit from Nakhon Ratchasima to wish him a happy birthday and also sent Major General Mongkon Amphonphisit, his personal secretary, to present Gen Athit with a bouquet of flowers.

His Royal Highness the Crown Prince also sent a bouquet of flowers to the general.

Army Commander-in-Chief General Chawalit Yongchaiyut was not present at the party reportedly because of official engagement.

Apparently happy and in good spirit, Gen Athit thanked all his guests, saying that he never expected so many would come. He said right now he only wanted to "empty my heart to achieve tranquillity" but he would be willing to serve the people and the nation in the future if his service was still wanted.

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CSO: 4200/1411

THAILAND

BANGKOK COVERAGE OF WIRA LESE MAJESTE CHARGES

Police General: No Grounds for Charge

Bangkok MATICHON (Special Supplement) in Thai 6 Aug 86 p 3

[Unattributed report: "After Investigating the Wira Case, There Is No Evidence That He Committed Lese Majeste; Sawaeng Confirmed That the Matter Will Be Considered Further"]

[Text] The assistant director-general of the Police Department discussed the progress made in the case involving Wira Musikaphong, who has been charged with committing lese majeste. He said that the investigation has not revealed any grounds for prosecution but that the matter will be considered further in the interests of thoroughness.

Police Lt Gen Sawaeng Thirasawat, the assistant director-general of the Police Department, talked about the progress made in investigating the case involving Mr Wira Musikaphong, the deputy minister of interior, who has been accused of committing lese majeste. He said that investigators have questioned six or seven witnesses, and Police Col Soukiet Chaloeuchuang, the superintendent of the Buriram provincial police, has submitted the file to him. This has been submitted to the director-general of the Police Department. He has been put in charge of this case, because this is an important case affecting members of the royal family.

Police Lt Gen Sawaeng said that on 3 August, he telephoned and ordered the Buriram provincial police superintendent and detectives there to examine the details of the speech made by Mr Wira. He also examined the initial investigation report and analyzed the charges filed by Mr Choetchai Phetphan, a United Democracy Party candidate who failed to win election in Bangkok Metropolitan. He charged that Mr Wira had violated Article 182 of the Criminal Code, which concerns cases of lese majeste against the king, queen, heir to the throne, and the king's representative. But, the charge is not in accord with the provisions of the law.

However, in the interests of thoroughness, investigation officials are questioning witnesses about the Thai language. A team of instructors is considering the words that were used to determine whether Mr Wira intended to commit lese majeste and whether the matter comes under the jurisdiction of the law. They are to do this as quickly as possible and submit the file to him.

Police Lt Gen Sawaeng said that the Police Department has not sat by idly. Action must be taken in accord with the law. If Mr Wira did violate the law, the police will take action. They cannot make an exception. Those following this matter shouldn't have any doubts about this.

This matter arose when Mr Wira campaigned for Democrat Party candidates in Lam Plaimat District, Buriram Province, during the middle of July. Mr Choetchai filed charges against Mr Wira.

Wira 'Unconcerned'

Bangkok BAN MUANG in Thai 15 Aug 86 p 15

[Excerpt] Mr Wira Musikaphong, the secretary general of the Democrat Party and deputy minister of interior, is not worried about the lese majeste charge and does not think that the matter will be considered by the House of Representatives.

This began when a United Democracy Party candidate filed charges at the Buriram provincial police station in Lam Plaimat District. He charged that in a campaign speech made in Buriram on 13 July 1986, Mr Wira made insulting statements about the royal family. Some have said that they will bring up this matter in parliament.

In an interview granted to reporters before going to attend a House meeting on the morning of 14 August, Mr Wira said that that's fine. He will have a chance to tell his side of the story and explain things. Charges won't be made in illegal leaflets. The charges against him are not true. He did not do anything wrong. This is a political matter. This was done in an attempt to draw votes away from the Democrat candidates. But the ploy failed.

When asked about the unrest within the Democrat Party over the fact that some members were not given ministerial positions, the secretary general of the Democrat Party said that it wouldn't be a political party if it didn't have problems. But when a problem does arise, the matter is discussed and resolved. There will always be criticism. That's normal.

Wira Cites 'Political Sabotage'

Bangkok BAN MUANG in Thai 19 Aug 86 pp 1, 16

[Unattributed report: "Wira Will Sue Those Who Have Slandered Him"]

[Excerpt] Deputy Minister Wira has said that if a no-confidence debate is held in parliament, that is fine. Because he will have a chance to explain things. He is preparing to sue three newspapers. He will not compromise.

Mr Wira Musikaphong, the deputy minister of interior, talked with reporters on the morning of 18 August about the charge that he committed lese majeste and about MPs submitting a no-confidence motion against him. He said that he would welcome a no-confidence motion, because that would give him an opportunity to explain things in parliament instead of allowing people to spread rumors and "gossip."

He said that he has shown patience since even before the election. The matter has not died down even though he has officially been appointed minister. And it seems as if this will continue to be an issue. He has to defend his honor.

Mr Wira said that he categorically denies having committed lese majeste. He and his family have definitely not committed any such offense. He is loyal. This matter arose because certain people want to destroy him politically. They are using the newspapers as their tool. But nothing has been done to determine the facts of the matter. The newspapers have just printed sensational stories. And so he has filed a civil suit against three newspapers, DAO SIAM, DAILY MIRROR, and KHAO SOT, and will seek at least 1 million baht in damages for each story printed by these newspapers.

The deputy minister of interior also talked about his campaign statement, in which he said that if he could choose his place of birth, he would choose the best place. He said that he made that statement on behalf of a candidate who had been criticized for not having been born in that province. He wanted the people to understand that although we can't choose our place of birth, we can choose to act properly. He did not violate any law by saying that. But the newspapers have said that he committed lese majeste, a major offense. Lawyers know about this.

Mr Wira also said that this is a concerted campaign against him. If he finds out who is involved, he will file suit against all of them. Initially, he didn't plan to file suit. He thought that the matter would die down. But it hasn't died down. As for suing the newspapers, he said that he would definitely not agree to a settlement even if he does reach a settlement in other cases after discussing matters with the people involved.

Lack of Local Police Interest

Bangkok BAN MUANG in Thai 21 Aug 86 pp 1, 16

[Unattributed report: "The Matter Was Not Investigated Before Stories Were Printed in the Newspapers"]

[Excerpt] On the afternoon of 20 August, Mr Wira Musikaphong, the deputy minister of interior, told reporters that he has asked lawyers to look into whether the DAILY MIRROR and KHAO SOT committed slander when they printed stories about him committing lese majeste. The DAILY MIRROR printed a story stating that the Department of Public Prosecutions has "socked" Wira, and KHAO SOT stated that prosecutors have slapped Wira. He was credited with saying that the prosecutors had said that he was innocent. But he never said any such thing. Sublieutenant Wichit Yusuphap, the director of the Public

Relations Division, wrote a letter. The Department of Public Prosecutions can join with any newspaper it wants in slapping him and spitting in his face. But it should first ascertain the facts. If that is true, if he did say such things, they can slap him and piss on him.

"My lawyers are looking into this. If they just got their facts wrong and did not intend to slander me, I will send a letter to the Press Association informing it of their behavior," said Mr Wira. He said that he will not talk to the Department of Public Prosecutions. He will let them persecute him. He won't file suit.

A reporter asked how he knew that he wasn't guilty of lese majeste. Mr Wira said that the local police never sent him a summons. Before someone can be issued a summons, the police must have evidence. If the press says that someone committed a crime and they didn't, that is libel. He will file criminal charges against the newspaper in every region. He will file civil charges in Bangkok. He has never harassed the press. He has always shown patience. But this time they have gone too far.

He was asked whether this resulted because certain people thought that he was unusually wealthy. Mr Wira said that it is easy to prove which house and car belong to him. He said that he will be on the political stage for a long time to come. If he lies today, he can be caught next year. We have to be honest. If he had 70-80 million baht and could flee abroad, that would be another matter.

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CSO: 4207/328

THAILAND

PRASONG FAULTED FOR RED-BAITING HUMAN RIGHTS ACTIVISTS

Bangkok KHAO PHISIT in Thai 21-27 Jul 86 pp 56, 57

[Text] Let's consider the position taken by the "security at the national level" side, or the "National Security Council," which, to the outsider, has the image of being the "Office of Strategy for National-level Security." But the incumbent secretary general, Squadron Leader Prasong Sunsiiri, recently said something strange to the ear in an interview. The story is that some low-ranking Thai officials had beaten three refugees. And when the story leaked to the mass media, the secretary general reacted immediately. But instead of emphatically confirming or denying the truth of the story, he said there was a link to the "communists." Sqn Ldr Prasong was trying to indicate that there were communists infiltrating the Human Rights Organization, and that those communists had not reported to the authorities after they emerged from the jungle. He also indicated that it was "likely that there would be an arrest of" the two communists.

In fact, to release the news that "refugees are beaten" is not good for the image of Thailand. It is against the image which Thailand wants other nations to have about it—that it is a humanitarian country that has attempted to shoulder the burden of caring for a great many refugees. And this good deed has produced the result of good karma (action) for Thailand—that is, a great amount of support and assistance in terms of money has flowed into Thailand. The news about the beating of refugees may somewhat have affected Thailand's image of being "humanitarian."

But the maintenance of Thailand's image perhaps should begin with "the serious investigation to find out the truth" as to whether there really was such a beating of refugees by low-ranking officials. It might be an action that was a bit too extreme because of lack of understanding of the circumstances, or because they were too impatient, too hot tempered, or it could just be an allegation that has no foundation. The truth of this story must be known, that is a first priority. If it is true, or there is some foundation, then there should be a correction of that bad image. And it should not be difficult to do so because the beating that occurred should not have the implication that "Thailand has a brutal policy toward the refugees." This is because this case is too small for an accusation to be made against the government of the nation, and to give it a bad reputation. Thailand's overall image and major policies regarding this area have been

adequately recognized by the international community. If it is a matter of an unfounded allegation, then there should be a clarification of the facts. There is no use at all in linking the communist charge to this story. It only "blurred" the story unreasonably. And it seemed to have created a picture that is seriously contradicting the orders issued in accordance with Policy 66/1980. And that is the picture of "not being broad-minded enough." It also brought back the "conservative view of security" to block a way out and to create an impression that there was a lack of understanding of domestic politics.

We should ask: "Cannot a person who fled to the jungle and be with the communists, in truth, be humanitarian and a democrat?" The fact that they have a definitive career and work in the humanitarian field is entirely different from "being communists and fighting with arms." The role of these people might help promote "full and efficient democracy" in the future. Or should we eliminate the state of being a "human being" from those who have lives with the communist movement? A good government must have a policy of wanting to reduce injustice and create justice in society. Their humanitarian movement should therefore be a different story from "being communists."

The release of news about them in this regard should enable one to separate this story from their "previous charge." And if these charges are mixed and become so confused that there is an arrest once again, then that would be a "policyless" action that the people at the "National Security Council" level should not allow. It would be an action that has no "overall objective." It would have no good effect either on the "domestic political strategy" or even on the "image of the government as seen through the eyes of the outsider." The National Security Council should put an emphasis on the facts, not on the use of "allegations" against "allegations."

As for Sqn Ldr Prasong Sunsiri, as far as I have known him, he is fun to be with. He likes to chat and is fun loving. His image as projected to the outsider is one of a cool, calm, and firm person. In addition, from my knowledge of his writings, he is "an eloquent writer who can easily be considered to be amongst the writers' realm." He writes with easy style, with a sense of humor, and with an extremely effective teasing pinch. But the status of his office is that of a national-level office, from which he should not always view each problem with the same view that he presents in his writing "Reversing the White Bear's Footprints."

"Allegations of human rights violations against refugees" should not make him turn to the use of "allegations to deny allegations," which is a method that does not become the holder of the position of general secretary of the National Security Council or national-level strategy office. The commander of Army Region 4, who has to implement the national policy by translating that policy into operations suitable to "localities," was admirably able to translate the orders issued in accordance with Policy 66/2523 with broadmindedness and farsightedness. He did not bring in small allegations to create a damaging effect on the overall strategy.

Therefore, the secretary general of the National Security Council should review his position toward the said problem as well.

THAILAND

LAWYER DESCRIBES POLITICAL PRISONERS' CONDITIONS

Bangkok SIAM RATH SAPDA WICHAN in Thai 6 Jul 86 p 33

[Article by Tongbai Tongpao]

[Text] Last week, I paid a visit to Damri Ruangsutham and Prakop Tongtueng, the two prisoners who were sentenced by the military court, on communist charges, to 10 years and 8 years in prison, respectively. Prakop was given a crew cut like a prisoner, in accordance with prison regulations. He looked thinner and paler than before, but he was still strong and smiled with a hidden meaning. I asked him what kind of work he was asked to do. The answer I got was that he was asked to do flowers. Damri, on the other hand, looked more fatigued, older, and thinner than before.

Damri said he was transferred to detention at Area 5, where he was not allowed to go for a walk downstairs, making him feel frustrated and uneasy. This is because Damri had suffered from tuberculosis before, and if he was in a damp and musty area, he would be affected. Another thing is that Damri has suffered from an eye disease. Although he has had an operation on his eye, his eyesight is not good; it only improved a little. So Damri still needs to go for examinations by the doctor.

Another prisoner whom I visited on that same day was former Police Major Anan Senakhan, an activist for social justice and against embezzlement, corruption, and abuse of office authority among government bureaucrats. Former Pol Maj Anan Senakhan was sentenced to a total of 6 years in prison on two counts of lese majesty. He now has about 3 years to serve. In his imprisonment, Pol Maj Anan did not abandon his ideals and still fought for justice and countered embezzlement and corruption. When he saw that something was not right and was not just, he would always get involved and would oppose it. And his action would inevitably be against or in conflict with prison regulations. Take his complaint on allowance on behalf of foreign prisoners, for example. He did not submit his complaint in accordance with prison regulations. But he reasoned that if he followed the prison's procedures, the complaint would not get to the top.

The result of his good intentions and his actions for what was right was that he was once beaten on the head by a hired prisoner. He also once filed a libel suit against one director general of the Corrections

Department. Later, the suit was withdrawn because there was a man-to-man agreement that the accused would publicly correct his statement and would prevent the police major from being harassed or coerced. But such a correction of statement was never made. What this former police major received was punishment in accordance with prison regulations, such as suspension of visits, suspension of visits by relatives, and the downgrading of his prisoner status, which has a negative effect on the suspension of his punishment and his request for royal parole.

Recently, three detainees on charges of lese majesty requested royal parole. Some of these detainees were convicted of more severe charges than those of Pol Maj Anan. And the three have already been granted a royal parole and let free. But in the case of Pol Maj Anan, it is hopeless because the prison authorities did not see him as a good person but as one who violates prison regulations, which would only bring him punishment in accordance with the prison regulations. Therefore, his request for royal parole or for suspension of his punishment would always be denied.

Pol Maj Anan said to his friends that the reason he has to suffer as a result of his karma (action) is that he had a problem with the jailors and because of his fight against corruption and for justice on behalf of prisoners--all of these affected the interests and prestige of the jailors. He admitted that some of his friends told him to keep his actions on hold and return to them in later days. But he replied that his ideal was that when one had to fight then one ought to fight when one is on the stage, not when one gets off the stage and then makes a loud noise beside the stage. It is because of this that he has been hurt and in pain.

Both Damri Ruangsutham and Prakop Tongtueng as well as Pol Maj Anan Senakhan are all detained at the same prison. Behind the walls, there is a great deal of secrecy, pain, and bitterness that only insiders see and know of. But when they see it they cannot talk about it. If they talked, they would have to suffer painfully as did Pol Maj Anan, who is not wanted by time and place.

I paid a visit to detainees at the temporary jail of the Private Police Training School at Bangkhen, which is another place where political prisoners are held. There are 83 detainees here, 35 of whom are defendants in the 9 September coup case; 15 faced communist charges; 1 was a Vietnamese; and 32 were detainees pending deportation.

Three of the four Southern accused facing communist charges--Mr Wirote Jongjit, Mr Iam Khammoo-inthon, and Mr Satit Krainara--submitted their request to the military court on 11 June 1986 for permission to get out of jail to run for an election in Pattalung Province for the Democratic Labor Party, as did Mr Pratin Thamrongjoi and Mr Suchart Bunrod, the two defendants in the 9 September coup trial, to run for an election in Constituency 12 of Bangkok.

The military court made an inquiry into the request on 12 June without the presence of the said defendants. And the result was that the three were

not able to run for an election because the court did not grant them permission. Mr Wirote and friends were taken to the Bangkok military court, where the court was asked to order them detained during their first interrogation on 14 April. All three are awaiting the prosecutor's order for them to be put on trial. This also included Mr Prapas Muaydee, who is relatively physically fit but who is not entirely psychologically well because of his long detention without trial and without release. This made it impossible to know what his future would be like, and his family is suffering because his family is not well off. When the head of the family is detained, the family has no income to support it. The future of the children is also affected.

As far as the sufferings are concerned, it seems that the low-ranking military officers and civilians in the 9 September rebel case are most severely affected because they are low-ranking officers, and when they faced a trial they were suspended from work and therefore have no income to support their families. Of the 35 defendants being detained at the jail of the Private Police Training School at Bangkok, 9 were civilians--7 labor union members, 1 professor at Sukhothai University who is also a Ph.D. candidate at NIDA (National Institute of Development Administration), and 1 former parliamentary police officer. The remaining 26 were military commission officers, that is, 7 army officers of the ranks of captain and first lieutenant, 6 air force officers of the ranks of flight lieutenant and flying officers, and 13 non-commissioned officers belonging to the army's Armored Cavalry Unit.

It is these people who feel more pressured and more strained the longer they are detained. This is because of the physical and mental stress they have to go through, especially when they are the heads of their families. When the heads of families are detained, they are suspended from work and have no income to support their families or to pay for the education of their children. They have been detained for more than 10 months now without temporary release. That the five generals charged with leading the coup were allowed by the Appeals Court to be released temporarily on bail while the low-ranking officers and the civilians were denied bail or temporary release by the same court has had the effect of reinforcing the frustration and stress on the low-ranking officers.

"We do not envy the generals because they were given temporary release; it's a good thing. But we would like to have the same opportunity, because this is the same case," said one accused bitterly. "Equality is what we desire. The generals traveled abroad, ran for election, and campaigned for election, and the trial was postponed. And yet we are detained and pending, pending with the bitterness and hardships of our children and wives. We couldn't help wondering.

"First Lieutenant Son's children had to stop their schooling. Flight Officer Dusit's children had to end their schooling and look for work because their father is detained and has no income to support the family. Just think how bitter we are. There are others who are suffering but would not speak out. Just suppressing their bitterness.

"The pressure on the family becomes even greater when the mother takes the child to visit the father, and the father wants to hold the child; but the child stays away and cries, refusing to be held by the father because he has become a stranger. Ten months have alienated the child from the father. For some, the baby has just been born, and they have not seen the baby, this in spite of the fact that he should be with the family to take care of them when the baby was born. Sometimes, the wife came to visit. When the wife and baby were leaving the father would run up the stairs to the deck and longingly and pathetically watch them."

These low-ranking officers were simply receiving orders. When the superior gives an order they have to execute it according to the regulations, discipline, and tradition of soldiers, who must strictly follow the order. If they defied the order they would be wrong, and would perhaps face the firing squad. And so they have to accept the result of being a follower, following the order of their superior. Is their crime in following the order so great that they cannot be forgiven? So serious as not to be able to be released on bail? We beg for your sympathy.

These low-ranking officers are in a difficult position. They do not even have security to post bail. It is the same with many civilian defendants who do not have any security to post a bail. They have to wait until after the elections before the trial can begin. And they have to go through a long and lengthy trial until the prosecutor is finished with the cross-examination of his 669 witnesses, and the defendants' witnesses as well.... How many more years? No one knows.

12282/9190

CSO: 4207/295

THAILAND

BRIEFS

NINE MEMBER ADVISORY BOARD--Prime Minister Prem Tinsulanon has appointed nine prominent figures who will form an advisory board to the prime minister. The 9-member advisory board, headed by former Minister to the Prime Minister's Office Police Lieutenant Chan Manutham, comprises former Supreme Commander General Saiyut Koetphon; former Deputy Secretary General to the Prime Minister Rear Admiral Prakop Wasinon; former Deputy Foreign Minister Arun Phanuphong; well-known television anchorman Phichai Watsanasong; lawyer-businessmen Wan Chansu; and three advisors in the previous administration--namely, Dr Wiraphong Ramangkun; Dr Anat Aphaphirom; and Dr Thinnaphan Nakhata. According to Police Lieutenant Chan, the advisory board will not only give advice on issues that the prime minister wants for their counsels, but they will also take initiatives in supplying him with ideas on a broad range of issues in the economic, social, political, and foreign affairs domains. [Text] [Bangkok Domestic Service in English 0000 GMT 27 Aug 86 BK] /12913

1987 BUDGET POLICY--Finance Minister Suthi Singsane said the expenditure budget for fiscal 1987 will put emphasis on job creation, eradication of the country's poverty, and export promotion. Mr Suthi said all ministers have been advised to study details of the budget allocations of each ministry to consider whether they were proper. He said it is hoped that the budget bill will be submitted to Parliament in mid-September. Regarding a decision on whether to increase next year's expenditure budget by 2,000 million baht, Mr Suthi said the issue is still under discussion. He said the government has to consider other factors before making a decision on the issue. Such factors include the ability to collect tax and the economic circumstances. Meanwhile, Director of the Budget Bureau Bodi Chunnanon said the total budget for the next fiscal year amounts to 226,000 million baht. He said the government has set a target of revenue collection for the next fiscal year at 184,000 million baht and a target of domestic borrowing of 42,000 million baht. [Text] [Bangkok Domestic Service in English 0000 GMT 28 Aug 86 BK] /12913

ATHIT SUGGESTS AMNESTY--Outgoing Supreme Commander General Athit Kamlang-ek yesterday suggested that the government grant an amnesty to all those accused of involvement in the abortive coup on 9 September last year. He argued that all the defendants in the 9 September coup trial should be amnestied because of the Army's decision to reinstate 28 officers dismissed for their involvement in the April 1981 coup bid. A similar amnesty had also been granted to communist suspects tried in connection with the so-called riot on 6 October 1976, he added. Gen Athit, who is to retire from active service as he

turns 61 today, was given an audience with His Majesty the King yesterday. The general said he would not "play politics" after his retirement. He added that he would occasionally have to attend to work at the Central Security Command where he will serve as an adviser. A busy schedule awaits Gen Athit today. He is to begin the day with a merit-making ceremony at Wat Benchamabophit to mark his birthday. Later in the day he will preside over ceremonies to open new buildings and a mosque. Gen Athit will also host a birthday part at his residence this evening. [Text] [Bangkok BANGKOK POST in English 31 Aug 86 p 3 BK] /12913

ARMY TO CONTINUE PRESSURE—Nakhon Si Thammarat—Military pressure will continue against guerrillas of the Communist Party of Malaya (CPM) as they still pose a major security threat in the South, Fourth Army Commander Major General Wisit Atkhunwong said yesterday. Maj Gen Wisit praised his predecessor, Lieutenant General Wanchai Chitchamnong, for his success in curtailing CPM influence in areas along the Thai-Malaysian border and pledged to follow Lt Gen Wanchai's policy of denying the CPM a firm foothold on Thai soil. The CPM is believed to have about 1,500 to 1,800 armed troops operating in southern border areas, especially in Than To and Betong districts of Thailand's Yala Province. Maj Gen Wisit said good cooperation between Thailand and Malaysia was the key to successful joint suppression campaigns against their common enemy, the CPM. "Now we have a very good relationship with Malaysia. We had their excellent cooperation in the past. It is no doubt that our cooperation will be stepped up in the future," he said. Maj Gen Wisit, who was transferred to the South in late 1985 from the Third Army where he was Chief-of-Staff, said he was confident of his ability to bring peace and prosperity to the region. [Text] [Bangkok BANGKOK POST in English 8 Sep 86 p 3 BK] /12913

PREMIER RECEIVES UNHCR'S HOCHE—Prime Minister Prem Tinsulanon has asked the United Nations High Commissioner for refugees, Jean-Pierre Hocke, to persuade third countries to accept more refugees from Thailand. Government spokesman Michai Wirawathaya quoted the premier as saying to Hocke at the meeting that Thailand is worried by the slow pace of refugee resettlement, which might prompt other countries to neglect their share of responsibility. The prime minister also complained that Vietnamese military operations along the Thai-Kampuchean border have been a constant cause of refugee influx into Thailand. He then asked the UNHCR chief to tell Vietnam to avoid taking action against the civilian population. The spokesman said the UNHCR chief agreed to inform other countries of Thailand's concern and pledged to propose new measures to tackle this problem. Mr Hocke also thanked Thailand for its continuous anti-piracy efforts. He later presented to the Thai Government a check for U.S.\$800,000, about 20 million baht, as the second installment of the fund to the 5th year anti-piracy program. The first installment of U.S.\$1.5 million was presented in June. Mr Hocke is paying a five day visit to Thailand and will leave for Tokyo on Sunday. [Text] [Bangkok Domestic Service in English 0000 GMT 6 Sep 86 BK] /12913

CABINET APPROVES NEW ENVOYS—The Cabinet approved a list of Foreign Ministry appointments effective 1 October. They are: Director General of the Information Department Sawanit Khongsiri will be ambassador in Vienna, Austria. Ambassador to Austria Suchat Chuthasmit will be Ambassador to South

Korea. Ambassador to Singapore Sarot Chawanawirat replaces Sawanit as chief of the Information Department. Ambassador to SRV Atsada Chayanam will be the new envoy to Singapore. Minister-Counsellor at the United Nations Chuchai Kasemsan replaces Atsada as Ambassador to SRV. Ambassador Attached to the Foreign Ministry Sukhum Ratsamithat will be ambassador to Bangladesh. Deputy Director General of the Ministry's Department of Treaties and Legal Affairs Sombun Sa-ngiambut becomes Ambassador attached to the Foreign Ministry. [Summary] [Bangkok BANGKOK POST in English 10 Sep 86 p 3 BK] /12913

AMBASSADOR DESIGNATE TO MAURITIUS--The Thai Government has proposed to the Government of Mauritius that Mr Phirat Tsarasena, ambassador of Thailand to India, be accredited as Thai ambassador to Mauritius. The Government of Mauritius has agreed. [Summary] [Bangkok Voice of Free Asia in English 1500 GMT 29 Aug 86 BK] /12913

INDIA'S GANDHI TO VISIT--Indian Prime Minister Rajiv Gandhi is scheduled to visit Thailand for two days in the middle of next month, informed sources told THE NATION yesterday. It will be the first visit to Thailand by an Indian prime minister. From Bangkok he will proceed to New Zealand and Australia. Gandhi will arrive in Bangkok on the morning of 19 October and leave the next day, the sources said. The sources said during his stay, Gandhi will have private discussion with Prime Minister Prem Tinsulanon on bilateral relations between the two countries. Agenda for the discussion, according to the sources, will include bilateral trade, the prospect of joint business ventures, science and technological cooperation and regional issues. The Kampuchean problem will not be included in the discussion as the two countries understand their different positions very well. New Delhi recognizes the Heng Samrin regime installed in Phnom Penh by Hanoi after its invasion in 1979. Bangkok is one of the staunch supporters of the Khmer resistance forces fighting against the Vietnamese occupation of Kampuchea. [Excerpt] [Bangkok THE NATION in English 10 Sep 86 p 2 BK] /12913

CSO: 4200/1411

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

TRADE COOPERATION WITH BULGARIA--Phnom Penh SPK 8 September--The volume of trade between the People's Republic of Bulgaria and the People's Republic of Kampuchea amounted to 2.19 million rubles in the first eight months of this year. The Bulgarian side provided Kampuchea a large number of industrial products such as batteries, diesel, elevators, fabrics and medicines, while it bought from Kampuchea various agricultural products, mostly natural rubber and timber. Moreover, in the same period, Bulgaria gave Kampuchea gratuitous aid worth 418,000 levas (Bulgarian currency). The aid included cloth, medicine, machinery, food, etc. Since its liberation of 7 January 1979, Kampuchea has signed with Bulgaria several documents on the non-refunded aid to Kampuchea valued at 16.210 million levas. The aid, which consisted of machinery, farm materials, cloth and medicines, has been consecutively delivered to Kampuchea. Bulgaria has also granted scholarship to 31 Kampuchean students to study there on tobacco production, forestry, and culture. A similar document for the period of 1986-90 was signed in Phnom Penh on 16 April 1986. Under the document, Bulgaria will give Kampuchea consumer goods and machinery worth 3 million levas. Bulgaria has given non-interest credit of 13 million rubles to Kampuchea and planned to help the latter put another 10,000 ha under rubber. Bulgaria has also sent four experts to help Kampuchea promote tobacco and forestrial production. [Text] [Phnom Penh SPK in English 1102 GMT 8 Sep 86 BK] /12913

GREETINGS TO BULGARIA'S ZHIVKOV--Phnom Penh SPK 7 September--Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee and president of the State Council, has greeted Bulgarian leader Todor Zhivkov's 75th birthday. In his message of greetings, President Heng Samrin wished Todor Zhivkov, general secretary of the Bulgarian Communist Party Central Committee and State Council president, the best of health and new successes in fulfilling the resolutions defined by the 13th Congress of the BCP to build a developed socialist society with modern science and technology. President Heng Samrin expressed his firm conviction that the friendship, solidarity and cooperation between Kampuchea and Bulgaria would further develop and strengthen in favour of peace in the regions and in the world as a whole. [Text] [Phnom Penh SPK in English 1053 GMT 7 Sep 86 BK] /12913

CSO: 4200/1411

MILITARY AFFAIRS AND PUBLIC SECURITY

VIETNAM

CONTRACT VIOLATIONS RESULT IN FATAL BRIDGE ACCIDENT

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 8 Jul 86 p 2

[Article by Tran Van Su, Municipal Economic Arbitrator: "The 'Capo' Practice in Signing and Implementing Economic Contracts"]

[Text] For the past many years, the "capo" practice in the signing and implementation of economic contracts in the city has created significant losses in socialist property. The municipal economic arbitrator has discovered and prosecuted many cases to recover property for the state.

This practice has still not ended and recently a serious violation occurred. I wish to present this case to the readers.

At the beginning of May 1985, the Doan Ket Wooden Container Production Facility learned that the Forestry Federation of Ea-Sup District in Dac Lac Province needed to construct a number of bridges on National Route 14 and across the Ho-Leo River. Lacking the corporation status to sign a contract for the construction and assembly work, the Doan Ket Facility contacted and suggested that the Construction Section of the Ho Chi Minh City Building Service come forward to sign a contract with the Ea-Sup Forestry Federation and then assign achievement to the facility.

The Building Service Construction Section assented to the suggestion of the Doan Ket Wooden Container Production Facility, considering it as a secondary production plan of the unit.

On 15 May 1985, the Construction Section of the Building Service signed a contract with the Ea-Sup Forestry Federation to design and construct the permanent bridges of Buon Vin and Ho-Leo and a temporary suspension bridge across the Ho-Leo River. The total design and construction cost was paid for in group 4 primary product logs.

On 15 June 1985, the Construction Section of the Building Service signed a contract with the Doan Ket Facility, subcontracting to the facility the entire job signed for in the contract between the Building Service Construction Section and the Ea-Sup Forestry Federation Construction Section. Besides that, the Doan Ket Wooden Container Construction Facility would have responsibility for receiving, transporting and distributing the lumber presented in payment by the Ea-Sup Forestry Federation Construction Section. Seven percent of the money received from sale of the lumber was to be paid to the Building Service Construction Section.

In accordance with a suggestion of the Ea-Sup Forestry Federation, to ensure communications during the rainy season, the Ho-Leo suspension bridge was to be constructed first.

The Doan Ket Facility did not directly construct this bridge but signed a sub-contract with a private operator, Nguyen Van Siem, in the guise of achievement director. Nguyen Van Siem, in another guise--that of an "investment manager"--signed another contract with Trinh Son Ha (also a private operator) to represent the construction technique side in building the Ho-Leo suspension bridge.

Construction of the bridge began in July 1985 and was completed on 10 January 1986. The parties tested, turned over, and placed the bridge in use. However, only 1 day later, on the night of 11 January 1986, the Ho-Leo bridge collapsed, killing two people and injuring 40 others.

One of the confirmed reasons for these serious consequences was the violation of the economic contract system by the Building Service Construction Section, the Doan Ket Wooden Container Production Facility, and the Ea-Sup Forestry Federation Construction Section.

Signing of the design and construction contract by the Construction Section of the Building Service was contrary to its mission function and achievement capabilities. An even more serious violation was that surely the Building Service Construction Section had some concept that a wooden container construction facility could not be permitted and increasingly could not have the capability to design and construct a bridge, but went ahead and served as a "capo" for the facility in signing the construction contract. After signing the contract and assigning the subcontract to the facility, the Building Service Construction Sector could not know how achievement of the contract would develop, although it was responsible to the Construction Section of the Ea-Sup Forestry Federation for the progress and quality of the project. It was from this very lack of responsibility of the Building Service Construction Section and the Doan Ket Wooden Container Construction Facility that many intermediate steps were taken in accordance with completely illegal contracts to construct the bridge. It is clear that the bridge became an objective and a means for the various parties to make an illegal profit and therefore, collapse of the bridge was difficult to avoid.

The strict prosecution of this violation is the responsibility of state legal agencies.

I suppose that the incident above is not simply a lesson in experience for the violating units but also a general one for other agencies and units. Only by strictly complying with the economic contract system and other related economic management systems can similar incidents be prevented. Agencies, districts and high-level management agencies, because of this incident, also must reexamine their own management of every business and production activity of subordinate units, especially strengthening economic contract management in accordance with Directive 09/CT-UB 31 March 1984 of the Municipal People's Committee.

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MILITARY AFFAIRS AND PUBLIC SECURITY

VIETNAM

BRIEFS

WHO GETS INCENTIVES --For meeting our grain obligations to the state in 1985, our village received radios, wristwatches, bicycle tires and inner tubes, Hai Duong porcelain bowls, etc.--all quality items, reserved for sale to skilled cattle-raising families and as incentives for selling grain to the state. Yet upon reaching our village, the radios and wristwatches were distributed to a number of ranking cadres in charge of the village and cooperative. The bicycle tires and inner tubes were divided up among a number of other cadres. The Hai Duong porcelain bowls were "appropriated" for public use at meetings and for visitors. The majority of cattle-raising families, without members who were cadres, got nothing. [Text] [Letter to the editor from Nguyen Manh, of Dong Son District, Thanh Hoa Province] [Hanoi NHAN DAN in Vietnamese 4 Aug 86 p 2] 9830

THEFT OF BOH WOOD--Wherever I go home for a visit with my family, I see many people in the place I grew up (along the Lo River) fueling brick furnaces with wood from the boh tree. They cut down trees that are large, round, and even in circumference and height for burning as firewood. Upon inquiry, I learned that they buy the wood at very cheap prices from people on rafts on the river. Local people say the wood is boh wood exploited as raw material for the Bai Bang paper mill, but thieves steal it and sell it to many families along the river for firewood. They openly cut the bindings on the rafts in order to separate the logs and get them gradually; they conspire with bad elements (dock personnel, patrol personnel) to steal wood. It seems that the Bai Bang paper mill and the local public security forces have discussed measures to stop the loss of raw materials, but no results have been observed. From Doan Hung District, Vinh Phu Province, all the way up near Ha Giang, any traveler can see the efforts of forestry workers to plant and care for boh trees that meet norms, so he is saddened and angered at the destruction of that forestry. After it took 10 years to raise the trees from the time seeds were selected, seedlings cultivated, land found, and trees cared for, are they to be lost to thieves? [Text] [Letter to the editor from Duc Nguyen] [Hanoi NHAN DAN in Vietnamese 4 Aug 86 p 2] 9830

READERS' FORUM--We warmly welcome our friend Duc Quang, of Tien Hai District, Thai Binh Province, for planning to take the entrance examination to the naval school of technical commanding officers. The school is located on the seashore of a beautiful city, the home of "the curved shorelines, where the sand sparkles and where the air is filled with the songs of the wind...." The mission of the school is to train naval technical commanding officers, to provide intermediate training for naval officers, and to conduct research on

naval technical science and naval military science. The curriculum is broken down into three main learning departments: the socio-military department, the specialized technical department comprising introductory lessons on the rivers, seas, and oceans, and the navigation department consisting of navigational astronomy, oceanic meteorology, and lessons on ship engines and electrical circuits. After 3 years of school, the graduate student is assigned to one of the following positions: commandant of deputy commandant of a small ship, technical commanding officer of a medium ship, technical team leader of a large ship, or other assignments at technical units and repair docks or stations. [Text] [Hanoi QUAN DOI NHAN DAN in Vietnamese 1 Aug 86 p 2] 9458/12851

CSO: 4209/788

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

PHAM VAN DONG GREETES DPRK PEACE MEETING

BE051635 Hanoi VNA in English 1511 GMT 5 Sep 86

[Text] Hanoi VNA 5 September--Chairman of the Council of Ministers Pham Van Dong today sent a message of greetings to the "international conference for denuclearization and peace on the Korean peninsula" to be held in Pyongyang soon.

The message says:

"This conference is all the more important because it is organized in the Democratic People's Republic of Korea where the people upheld and are upholding the banner against the U.S. imperialists and other bellicose forces, for a Korean peninsula of peace and free from nuclear weapons."

The message denounces the U.S. imperialists for occupying South Korea for several decades and turning it into an important base in their scheme to carry out the Asia-Pacific strategy, thus directly threatening peace and security of all nations in Northeast Asia.

It points out that the root cause of the national partition and tension in the Korean peninsula is the presence of 45,000 U.S. troops and a large quantity of weapons, including nuclear ones, and the United States' support to the South Korean administration.

The message highlights the 23 June 1986 statement of the DPRK Government on turning the Korean peninsula into a nuclear-free and peace zone. The convening of the "international conference for denuclearization and peace on the Korean peninsula" in Pyongyang once again expresses the DPRK's serious stance to ease tension in the region and contributes to the world people's struggle for peace, the message stresses.

It "strongly demands that the U.S. imperialists withdraw all nuclear and other lethal weapons and their forces from South Korea, and put an end to all their intervention into the internal affairs of the Korean people."

The message expresses convince [as received] that the DPRK people, under the leadership of the Workers Party of Korea headed by Kim Il-sung, and enjoying sympathy and support from the socialist countries and peace-loving people the world over, will certainly succeed in the struggle for turning the Korean peninsula into a nuclear-free and peace zone, and achieving peaceful reunification.

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

LIBYA'S AL-QADHDHAFI RECEIVES VICE PRESIDENT

OWO41932 Hanoi VNA in English 1526 GMT 4 Sep 86

[Text] Hanoi VNA 4 September—Huynh Tan Phat, vice president of the State Council, president of the Presidium of the Vietnam Fatherland Front Central Committee, and special representative of President Truong Chinh, on 2 September left Tripoli for home after attending the celebration of the 17th National Day of the Socialist People's Libyan Arab Jamahiriya (1 September).

During his stay, vice president Huynh Tan Phat was received by Colonel Mu'ammarr al-Qadhafi, leader of the 1 September Revolution, to whom he delivered a letter from President Truong Chinh.

Huynh Tan Phat reaffirmed the Vietnamese people's solidarity with and strong support for the Libyan people's valiant and just struggle against the U.S. aggressors. He spoke highly of the friendship, solidarity and cooperation between the two countries, and thanked Colonel al-Qadhafi and the Libyan people for their warm feelings and valuable support for the Vietnamese people in their national construction and defence.

Colonel al-Qadhafi said the presence of Vice President Huynh Tan Phat at the celebration of the Libyan National Day was a fine demonstration of the militant solidarity and friendly relations between Libya and Vietnam. He expressed the wish for continued strengthening of the ties between the two countries.

Colonel al-Qadhafi asked Vice President Huynh Tan Phat to convey his best wishes to President Truong Chinh and the other Vietnamese leaders.

The reception took place in an atmosphere of solidarity and friendship.

/12913

CSO: 4200/1412

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

BRIEFS

OUTGOING YUGOSLAV ENVOY--Hanoi VNA 8 September--Yugoslav Ambassador Borivoje Stojadinovic today took leave of chairman of the Council of Ministers Pham Van Dong before his departure for home for a new assignment. Chairman Pham, Van Dong had a cordial conversation with the outgoing ambassador. [Text] [Hanoi VNA in English 1718 GMT 8 Sep 86 OW] /12913

LAOTIAN AWARD CONFERRED--Hanoi VNA 8 September--The Lao Government has presented the Issara (freedom) order, first class, to the Vietnam Radio and TV Commission for its assistance to Laos' new broadcasting and television service. The conferment was occasioned by the 41st founding anniversary of radio "Voice of Vietnam" (7 September). The distinction was presented by Lao Ambassador Khampheun Tounalom to Tran Lam, chairman of the commission and editor-in-chief of the radio in a ceremony held here last weekend. [Text] [Hanoi VNA in English 1711 GMT 8 Sep 86 OW] /12913

SRV-USSR CULTURAL CENTER--Hanoi VNA 8 September--Since its opening one year ago, the Vietnam-USSR Friendship Workers' Cultural Palace in Hanoi has played host to 29 art troupes in the country and four others from abroad, which drew audiences exceeding half a million. The Vietnam-USSR Cultural Palace is the most up-to-date cultural centre in Vietnam. It has a revolving stage, a 1,200 seat auditorium, in addition to a dozen smaller rooms for film shows, art and sport training, which can accommodate at the same time thousands of people. At the time of its inauguration, the centre had only two clubs. Today, it has 20 clubs for a wide range of artistic activities: painting, photography, poetry recitals, aerobics, dancing, chess, philately, cinema, etc., with a total membership of 2,000. It plans to open two more clubs this year, one for family sports and the other for the fans of famed persons and places of scenic beauty. [Text] [Hanoi VNA in English 1455 GMT 8 Sep 86 OW] /12913

INTERNATIONAL YEAR OF PEACE--Hanoi VNA 7 September--Since early this year, more than 2,500,000 Vietnamese women from 30 provinces and cities throughout the country attended meetings and put their signatures to petitions sent to the Vietnam Committee for the International Year of Peace and the Women's International Democratic Federation, welcoming the International Year of Peace. In addition, over 6,000,000 participants took part in various activities in support of the world-wide struggle for peace and disarmament. [Text] [Hanoi VNA in English 1446 GMT 7 Sep 86 OW] /12913

CAMBODIAN MILITARY DELEGATION--Hanoi VNA 6 September--A delegation of the Propaganda and Training Department under the General Political Department of Kampuchean Revolutionary Armed Forces (KRAF) led by Preep Tan, acting head of the department, has paid a fortnight visit to Vietnam. While here the delegation paid tribute to President Ho Chi Minh at his mausoleum and visited several army units. On 1 September, Lieutenant General Dang Vu Hiep, member of the Central Committee of the Communist Party of Vietnam and deputy head of the General Political Department of the Vietnam People's Army, received the guests. [Text] [Hanoi VNA in English 1514 GMT 6 Sep 86 BK] /12913

TRUONG CHINH GREETES ZHIVKOV--Hanoi VNA 6 September--Truong Chinh, general secretary of the Communist Party of Vietnam Central Committee and president of the Council of State, extended his greetings yesterday to his Bulgarian counterpart, Todor Zhivkov, at his 75th birthday. The message describes Todor Zhivkov as an "eminent son of the Bulgarian people, an ardent communist and an outstanding leader of the Bulgarian party and government." The message notes that Todor Zhivkov has actively contributed to the communists and international workers' movement, the struggle for peace and security of all nations, and the development and consolidation of the fraternal friendship and all-round cooperation between the parties and peoples of Bulgaria and Vietnam. [Text] [Hanoi VNA in English 1523 GMT 6 Sep 86 BK] /12913

ARMY DELEGATION'S VISIT--Hanoi VNA 5 September--A military delegation, led by vice minister of defence, Colonel General Le Quang Hoa has attended the celebration of the 15th army day of the People's Democratic Republic of Yemen. While there, the delegation, guest of the PDRY's Ministry of Defense, was received by Ali Salem al-Biedh, general secretary of the Yemen Socialist Party Central Committee, and Saled Obaid Ahmad, alternate member of the Political Bureau of the Party Central Committee and Minister of Defence. At his reception, general secretary al-Biedh warmly welcomed the Vietnamese military delegation's attendance at the celebration of the army day as a great encouragement to the PDRY's people and army. He highly appreciated the valuable experiences of the Vietnamese revolution. For its part, the delegation expressed the Vietnamese people and army's unswerving support for the revolutionary struggle of the Yemeni people. [Text] [Hanoi VNA in English 1517 GMT 5 Sep 86 BK] /12913

CEMA COMMEMORATES NATIONAL DAY--Large numbers of cadres from the various permanent representative organs of CEMA member-countries held a meeting in Moscow on 28 August to mark the 41st anniversary of the SRV's National Day. Vietnamese ambassador to the Soviet Union Dinh Nho Lien participated in the presidium of the meeting. Comrade (Figeti), on behalf of permanent deputy representatives of CEMA member-countries and Comrade (Retoy), on behalf of the CEMA secretariat, delivered speeches warmly praising the Vietnamese people's glorious victory in the struggle against foreign invasion and their great achievements in building socialism in Vietnam. They expressed hope that in the future Vietnam would play an active role in developing cooperation among CEMA member-countries. [Text] [Hanoi Domestic Service in Vietnamese 1100 GMT 1 Sep 86 OW] /12913

CSO: 4209/839

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

CENTRAL CONTROL COMMITTEE PREPARES FOR PARTY CONGRESS

Hanoi NHAN DAN in Vietnamese 4 Aug 86 p 1

[Article: "Control Work Serves Party Congress at All Levels, Controls Efforts To Overcome Shortcomings"]

[Text] The Central Control Committee, along with cadres in charge of control agencies of provincial, municipal, and special zone party organizations held a conference to review the first 6 months of the year and to discuss the orientation of the sector's mission over the final six months.

Over the past 6 months, control work supported the important political activities of the self-criticism and criticism drive, making positive contributions to preparations for party congresses at all levels. In conjunction with self-criticism and criticism to clarify right and wrong and reach conclusions, attention was given at all levels and sectors to the investigation and resolution of cases of party member violations of discipline and being the subject of letters of accusation, especially cadres who managed by party committee echelons and had to be investigated for something. Cases were investigated and handled expeditiously, strictly, and resolutely, and with more synchronization.

Regarding control work over the final 6 months of the year, Comrade Tran Kien, secretary of the Party Central Committee and chairman of the Central Economic Committee, clearly pointed out that over the immediate future the second phase of the self-criticism drive will be conducted, along with party congresses at all levels. Control committees at all levels must firmly grasp the common requirements of this mission as endeavoring and concentrating forces on providing good service to party congresses at all levels and the Sixth Party Congress; first of all coordinating with the Organization Department to help party echelons correctly and in a timely way to resolve cases involving cadres and party members directly associated with the affairs of party echelons and representatives going to attend the Party Congress who have matters to investigate. They must provide positive service to party echelons monitoring implementation of decisions, plans, and methods of correcting shortcomings of party organizations, cadres, and party members. Control committees at all levels, in coordination with associated sectors will continue to serve party echelons in the implementation of resolutions of the Central Committee and of the Council of Ministers.

The conference also discussed methods of perfecting the control committee through the party congresses at all levels and arranging to derive lessons in the implementation of a controlled leadership system.

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

PARTY, LOCAL GOVERNMENT ORGANIZATIONS RESOLVE GRIEVANCES

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 8 Jul 86 pp 1, 4

[Article by Thuy Tien: "How Are Grievances Solved During this Criticism Drive?"]

[Text] This is a question sent in by many people to the editor's office so we sent a reporter to the Municipal Party Committee Office Public Reception Department and Secretariat of the Municipal People's Council to find an answer in accordance with the requirements of the readers.

Functioning as a staff proposing opinions to the party committee echelon on supervising the resolution of complaints and accusations from the masses, for more than the past 2 years, the Municipal Party Committee Office Public Reception Department has continuously received thousands of accusations and complaints from the people, cadres and party members. During 1985 alone, the department received 1,866 grievances and complaints, 38 percent complaints about housing and land, and 25 percent charges of negative occurrences and attacks against or oppression of the masses. Since the beginning of 1986 alone, the number of grievances and complaints sent to the Municipal Party Committee Office Public Reception Department has reached 925. Nearly all of these grievances requested that the government and agencies correctly implement the systems, policies and laws promulgated by the state. Many letters were charges of erroneous actions and complaints about the legitimate rights of the citizens being violated. The number of direct visits to the Municipal Party Committee Office Public Reception Department during the past 6 months also rose to 1,029 (there were 1,500 visits during all of 1985).

Faced with a steadily increasing number of accusations and complaints from the people, cadres and party members, the Public Reception Department issued a work guideline: receive sincerely, listen, explain, guide and examine a solution. Because the function of the party committee echelon is not that of an agency directly resolving complaint and grievance petitions, when proposing opinions on supervision and resolution to responsible sectors, the Public Reception Department constantly seeks understanding and studies the matter with the purpose of assisting in the most correct solution, while simultaneously following, urging and inspecting achievement in order to conclude each specific case. An example was the complaint of Su Khac Quang of the Vinh Hoi housing development. Mr. Quang was evicted from his home (which he had rented since 1968) by the landlord for the reasons that his lease had expired and he had not paid his rent in a long time. In evicting Mr. Quang from the house, the landlord proposed to compensate him with a sum of money amounting to from 6,000 to 8,000

dong to "assist" him in finding a new place to live. With such a "kindhearted" landlord, what reason would Mr. Quang have to sue? In order to clarify this matter, the Municipal Party Committee Office Public Reception Department delved into a search for understanding and analysis of the legal "surgery" staged by the landlord to indict Mr. Quang. Actually, Mr. Quang had many times requested to pay the rent but the landlord "magnanimously" refused to accept it because he wanted to create a legal reason and opinion for condemning Mr. Quang so he could regain the house and sell it. The department ascertained the nature of the case and that Mr. Quang's family was within the purview of a poor laborer family and did not have the capability to look for another place to live (the landlord's family was rich and had many houses being rented). Precisely in accordance with the policy of the Municipal Party Committee on the need for looking after poor laborers to spare them from a life of excessive poverty, the Municipal Party Committee Office Public Reception Department promptly presented a course to responsible sectors for resolving the case above and to protect the rights of the laboring people. Mr. Quang's family was allowed to return to the place where they had lived for nearly 20 years.

Like the Municipal Party Committee Office Public Reception Department, the Secretariat of the Municipal People's Council has assisted the People's Council in properly implementing the regulation stipulating examination and solution of citizen complaints and accusations (Article 26): "The representative of the People's Council who receives complaints and accusations from the people is responsible for studying and forwarding them to concerned agencies, and for following their solution and reporting the results to the interested parties." In implementing this regulation, during the third term of the Municipal People's Council, the Secretariat of the Municipal People's Council has improved its public reception work: accepting petitions daily and receiving the public weekly (on Wednesdays). The Secretariat of the Municipal People's Council has conducted many methods of public reception such as receiving people in local areas and agencies or traveling all the way to their homes to listen to their ideas and to make contact with the environment and circumstances of the case. When receiving the public, the Secretariat of the Municipal People's Council always respects the voices of every interested party and emphasizes consultation with the party committee echelons, administration, front and mass organizations of the local area to choose many different methods of solution. The Secretariat of the Municipal People's Council transfers cases that are not complex or require only an explanation to concerned agencies for resolution, and transfers those cases involving many related sectors requiring careful investigation to resolve to specialized departments of the Municipal People's Council. For unexpected, urgent and clearly wrongful cases, the Secretariat of the Municipal People's Council uses the questioning, inspection and proposal rights of the People's Council, and travels to the site originating the grievance to review and join concerned agencies in solution. There are also a number of serious cases for which the People's Council submits proposals directly to the Municipal Party Committee for solution in accordance with the authority of the state management echelon. Specifically, there was the case of Nguyen Viet Tien: after 7 years in the army, Tien was discharged and returned to his family in Subward 1 of Phu Nhuan Ward. He submitted a petition for a resident certificate but after more than a year, one has still not been granted. During this year, he has participated in work in the subward and has assumed the responsibility of the subward youth union secretary. After noticing he did not have a

resident certificate, the local administration would not allow him to continue work. Wronged and losing his "right to work," Tien requested that the People's Council intervene. With the legitimate rights of a citizen being violated, the Secretariat of the People's Council submitted a proposal directly to the Municipal Party Committee. The result was that a matter that had dragged on for a full year was solved in 10 days.

Fully recognizing their given responsibilities, the Municipal Party Committee Office Public Reception Department and the Secretariat of the People's Council have positively contributed toward correcting and overcoming the deviant and erroneous actions of administrative agencies in a number of local areas, and have criticized expressions of simple specialization creating a negative effect in examining and resolving grievances, and limiting violations of the legitimate rights of the citizen. During 1985, the Municipal Party Committee Office Public Reception Department resolved 498 petitions, and 245 during the first 6 months of 1986. The Secretariat of the Municipal People's Council received 364 petitions during the first 6 months of this year and has resolved 70 percent (including those transferred to responsible agencies for examination). Worthy of note is that the work of the public reception department and this examination of grievances have eliminated the psychology of suspicion and lack of confidence of many in the solution of complaints and grievances, and have simultaneously developed the socialist collective ownership rights of the laboring people and strengthened the bond between the party and the masses.

Nevertheless, in a number of localities, there are cadres and party members who look down on the people and fail to implement resolutions, including those of the local party committee and administrative echelons. Along with this, the party committee echelons and people's councils in a number of locations have not yet recognized that public reception is an indispensable requirement in the activities of a party organization and a responsibility of a people's council representative, and have lacked concern in resolving citizen grievances, including the times when there are opinions from upper echelons and responsible sectors participating in the solution. Whether the resolution of grievances of cadres, party members and the people is right or wrong, fast or slow, and many or few first of all demands the proper concern of the party committee echelons and concerned responsible agencies. Resolution of the housing dispute of Su Khac Quang and the resident certificate of Nguyen Viet Tien indicates that a number of party committee echelons and people's councils have been apathetic over the legitimate rights of the masses. The result of resolving these two cases does not stop at protecting the legitimate rights of the citizen but also bolsters the confidence of the masses in the party and strengthens the effectiveness of people's government precisely as stated by the directive of the Municipal Party Committee on the organization of public reception: examine and resolve grievance petitions, understand the thoughts and aspirations of the masses, inspect achievement of party directives and resolutions, and state policies, develop the socialist collective ownership rights of the laboring people, strengthen the bond between the party and the masses, etc."

The Municipal Party Committee Office Public Reception Department and Secretariat of the Municipal People's Council have achieved initial results in examining and participating in the solution of grievances. The number of existing grievances is still great, demanding that responsible and concerned agencies give wholehearted concern to their examination and solution.

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

READER'S LETTER SUGGESTS ELIMINATION OF CORRUPTION

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 28 May 86 p 1

[Letter of Nguyen Thi Thang Phong: "Let's Resolutely Eliminate Corrupt Individuals from the Party"]

[Text] Thirty years of war should have taught us to dedicate all our energies and efforts to heal its wounds. Nevertheless, not a few cadres and party members took advantage of their positions and power and were involved in corruption and bribery. In committing those negative acts, they ganged up with bad elements and eliminated honest and straightforward men who had a good background and ability. For them, money is the end and conscience and honor have little significance.

Confronted by this sad situation, those who live honestly and respect reason and justice cannot help feeling a mixture of frustration, uneasiness, and bitterness.

It is my opinion that cadre organization is always of prime importance. However, recently it has not been done properly and lacks thoroughness, closeness, and input from the masses. As a result, cadre assignments were not done in conformance with state stipulations in terms of personality, morals, and background. Worse, at certain places and times, assignments and promotions were obtained through flattery, gift giving, or favoritism, and as a consequence, the new big shots lacked morals, ethics, and ability.

We all know that in order to build socialism, we absolutely have to build the new socialist man. If we do not quickly eliminate from the ranks of cadres and party members decadent elements, how can we educate other cadres, and how can we educate our children? Short of that premise, we will ruin the way of thinking of the next generation, let alone inculcate in our children the socialist style of thinking and morals.

To me, the time has come when everyone, including party members, cadres, and scrupulous citizens, has the responsibility to report the wrongdoings of any cadre straightforwardly and honestly to the party in order that the party may rid him from its ranks, as a gardener eliminates all the insects that ruin the plants in his garden.

In the immediate future, in order to deter and stamp out the wrongdoings of party members in power, I would like boldly to submit the following small ideas to the party:

1. Party discipline must be strict and uniformly executed, and no party level or sector allowed to carry it out at its own convenience and in a loose manner.

2. Cadres and party members who abuse their authority, are corrupt, and pilfer properties by any means—stealing, bribe taking, percentage kickbacks in economic contracts and in price discrepancies in product selling and goods trading, fraudulent alterations of paperwork, false declarations, unlawful profit taking, etc.—must be severely punished to deter and educate others. If legal prosecution is not required and only internal punishment is needed, the penalty given must be very stiff, for instance:

a. Exclusion from the party (because the vanguard and exemplary spirit is lost. Leaving these individuals within the party system may jeopardize its very prestige).

b. Dismissal (the wrongdoer must absolutely be stripped of any position of leadership, even if a cell leadership).

c. Restitution on the basis of current value.

d. Those wrongdoers who are presently handling state money or properties must be transferred to other positions.

In a period when the country begins to be rebuilt, when the economy is still poor, and when living conditions are difficult, within the ranks of cadres and party members motivated by a vanguard and exemplary spirit, any cadre or member who is corrupt or steals, regardless of how small an amount, is no longer worthy of being a cadre or party member. Exclusion from the party or dismissal is a most lenient penalty.

3. All wrongdoers who are not duly penalized or whose handling has not taken place (from 30 April 1975 until now), and who are presently occupying positions of authority and are still party members, must have their cases reviewed and corrected.

4. Any person who denounces wrongdoers, irrespective of their being party members or simple citizens and irrespective of his position, must be protected by the party and the state. Any unit, organization, or individual exposed by the person must be barred from making his life difficult, transferring him to distant units, firing him, or creating difficulties for his family. In addition, those individuals who courageously report negative facts and cases must be commended. The exclusion of corrupt, decadent, and backward elements and smugglers from the party to make it clean is not only a need of the revolution but is also a vital need of the people that ensures economic construction and improves the individual for today's life and for the future.

9458/12859

CSO: 4209/790

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

BRIEFS

HOANG TUNG ADDRESSES CONFERENCE--The cinematography department of the Ministry of Culture held a conference 27-29 August to discuss measures to improve the quality of cinematography. Hoang Tung, secretary of the CPV Central Committee, attended and addressed the conference. The conference unanimously agreed that during the past years, cinematography has closely served the party's strategic tasks, raised pressing problems of the people's daily life, and reflected realistic arts and cultural life, thereby producing a profound impression for viewers. However, some shortcomings are still prevalent. These included some simple and insipid film series with out-of-date technique, thus making no impression on the viewers. Our country has been reunified for more than 10 years, but only a few film series can produce an image of new socialist man with persuasive power. Some series showed weaknesses in artistic concept and cinematographic technique. The conferees discussed at length various objective and subjective causes of these shortcomings. They also discussed the formulation of measures to improve the quality of cinematography, especially drama which must be advanced a step further. All activities pertaining to this task must be emphasized on improving its quality. [Text] [Hanoi Domestic Service in Vietnamese 1100 GMT 30 Aug 86 BK] /12913

CSO: 4209/839

ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

READER SUGGESTS INSURANCE FOR SALARIED PEOPLE'S WAGES

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 29 May 96 p 1

[Letter by Pham Van Chan, from the Southern Branch of the Institute for Communications Planning: "Insuring the Value of the Workers' Wage"]

[Text] The livelihood of the salaried person is presently a matter deserving thought and needing an urgent and basic solution. Right after the new wage policy, every salaried individual felt encouraged because his living conditions had partially improved and because he could devote his full energy to production without major concerns.

Not for long. A couple of months later, although the state had taken many measures to stamp out price hikes, prices unceasingly went up, the value of the wages decreased, and the plunge continued unabated. As things look nowadays, this situation cannot be overcome overnight. Each of us knows that for a couple with two children, with a monthly salary of 700 dong and with the existing prices and living conditions, their living standards are quite low, although the state insures the prices of some commodities and gives a price discrepancy allowance. Compared with prices when the currency change took place, current prices are three to four times higher, excluding certain commodities such as metal and electrical products and machines, whose price increases are even higher. Salaried people's standards of living consequently go down. The worker cannot live uniquely on rationed commodities and has other needs that can be met only by his salary. One may explain that since the country is in difficulty and its economy still underdeveloped, he must make a sacrifice and be patient. This could not be more true. We must live with our modest means and be thrifty, but the people cannot help wondering why the gross national product has gone down three to four times since the issuance of the new wage policy? Isn't that true that realities have shown that distribution among the various strata is still unequal?

Price hikes are detrimental primarily to the salaried people who contribute the most for the production of material and spiritual property for society. Therefore, ensuring the stabilization of their lives is not only a need of production but is also a just task.

In the face of this situation, I warmly recommend that we find a certain way to ensure the value of the workers' salary. At present, it is the state's policy to insure the workers' savings by the price of rice; therefore, why can't

the workers' salary, which is a kind of property of the workers, be insured on the price of rice? For instance, at the time of currency exchange, a 220-dong minimum wage could buy nearly 70 kg of rice; that wage needs to be insured in order that, at any time, its value will equal the same amount of rice. This is the only way to make sure that the minimal needs of the salaried people are met. This in-kind insurance of the value of the wages connotes a subsidy covering the totality of the decreasing value of the wage, not a compensation for the price discrepancies of a few commodities. Where does the money needed for the wage subsidy come from? This would be a serious blow to the budget, but difficulties should not be the cause for leaving the problem unresolved at the expense of the workers for whom the absence of an appropriate solution is a matter of grave concern. To me, one way of solving the budget problem would be to charge the wage subsidy to the income obtained by the state trade systems through price hikes and to other sources of income.

9453/12859

CSO: 4209/790

AGRICULTURE

VIETNAM

AGRICULTURAL PRODUCTION INCENTIVES INSUFFICIENT

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 2 Jul 86 p 1

['Contributing Opinions to the Party Congress' column: "Many Present Policies Not Stimulating Agricultural Development"]

[Text] Resolution 31 of the Political Bureau as well as the resolution of the recent 10th Plenum of the Party Central Committee, 5th Session, both presented urgent missions, one of which was: Strive to promote agricultural production. The resolution of the 5th Party Congress also stated, "Concentrate efforts on agricultural development, considering agriculture as the foremost front." Have local areas thoroughly understood the spirit of the above resolutions? We can reply that they have not! Our export goods at the present time are primarily the products of agriculture from the farming and stock raising sectors. However, the agricultural development incentive policies are not yet satisfactory. Agricultural product purchase and requisition prices are inconsistent. The supply of fertilizer, insecticides and other types of agricultural supplies is irregular and is prompt. Agricultural mechanization to free the farmer from heavy labor is still extremely limited. The production, circulation and distribution of some crops and animals have been sectioned, limiting investment, technical supervision and goods source control.

If "efforts are being concentrated on agricultural development and agriculture is considered as the foremost front," why, during a time in which agricultural supplies are still scarce, are agricultural products exported in order to import various types of luxuries with "priority distribution" given a small number of individuals with position and power?! When does the farmer who toiled in rain or shine to produce those products get to enjoy luxury goods? During the recent past, feverish fits about shrimp, pepper, redwood, castor-oil plants and a number of other agricultural crops of export value have created additional disturbances in the market. Many business units specialize in the use of fertilizers and insecticides to trade for the agricultural products of agricultural and marketing cooperatives. Cooperatives that never produce these kinds of agricultural products run to compete in the buying and selling of shrimp, pepper, redwood, castor-oil plants, etc., returning to exchange then for fertilizers and insecticides to be thrown on the free market (because supplies for cooperative production are administered through an exchange contract with the state), causing the management boards of these cooperatives to neglect their primary production to pursue simple business.

I respectfully suggest:

1. To properly manage market prices and to ensure that the state has control of goods sources, supplies and raw materials supporting a sector must be managed and distributed by that sector. Other sectors wishing use must go through the managing sector.
2. If agricultural products are exported, an appropriate percentage of the foreign exchange must be used to import agricultural support materials and go through the agricultural sector in order to ensure distribution to the basic production unit because no one understands the sector like the managing agency.
3. The business and production organization methods of "living enterprises" must be reexamined. It may be stated that not a few of the "living enterprises" permitted by the Municipal People's Committee exceed the permissible level of business and production (not counting the excessive level of "concern" given by the "living enterprises" to cadres with power and position under the form of "Today...respectfully presenting Hai, Ba, Nan, Bay, etc.)).
4. Because "prices have moved" many times, it is also necessary to initiate urgent methods of "moving wages" aimed at ensuring a minimum standard of living for the wage earner.

Bang Hong Van
Agricultural Service

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CSO: 4209/811

AGRICULTURE

VIETNAM

MORE RESETTLERS SENT TO NEW ECONOMIC ZONES

Hanoi QUAN DOI NHAN DAN in Vietnamese 31 Jul 86 pp 1, 4

[Text] According to information provided by the Quang Nam-Danang provincial branch in charge of moving laborers and more of the populace to new economic zones, in the first 6 months of the year, the province has sent over 3,000 households comprising 13,850 persons (including 6,450 laborers) to NEZ's inside and outside the province. Compared with the initial plans, those totals exceeded 37 percent in laborers and nearly 18 percent in the number of persons, and reached over 73.7 percent in laborers and over 63 percent in the number of persons of the annual plan. For the last half of the year and early 1987, the province has signed agreements to send 600 households comprising 3,000 persons (including over 1,000 laborers) to NEZ's outside the province, particularly in the high plateaus. Preparations have been made at present to that effect. This year Quang Nam-Danang has brought a change in leadership and in the provision of guidance in the transfer of laborers and distribution of population, and saw to it that those human investments support centralized tasks and key projects. The province makes sure that resettlement work is linked to the present phase of criticism and self-criticism and to the preparations for the forthcoming party congress, ensuring the efficient exploitation of resources and the consistency of the resettlement movement and avoiding stereotyping and waste. Based on the general plans of the province, districts, and villages, and on the economic resources of the coastal zone, the midlands, and the mountainous areas, the province opened 2 midland NEZ's and 12 coastal new economic sites and assigned appropriate laborers to allow a harmonious use of labor and exploitation of resources. The Tam Thanh NEZ of Tam Thanh Village (Tam Ky Town), a new model illustrating this harmony, attracted over 200 households, efficiently integrated fishery, forestry, and agricultural activities, and was able to pay back the bank as stipulated in the initial agreement with the latter. In addition to on-the-spot surveys and investigations, and to the sending of an advanced party which was charged with the construction of primary physical and technical facilities, the provincial sector in charge of the resettler movement set up meetings between sending and receiving parties to discuss related matters, to find a consensus, and to sign contracts for the delimitation of responsibilities, avoiding half-baked planning, waste, and a loss of confidence. In the recent past, the sector has conducted land surveys and drawn proposed population centers, constructed facilities to support production and livelihood for tens of NEZ's, disbursed 11.8 million dong for sending and receiving resettlers, reclaimed 150 hectares

of land, brought into production 40 hectares of fields, and completed the construction of 15 projects including water conservancy, kindergartens, health stations, schools, office centers, stores, 5 km of roads, 25 wells, and 400 houses which were distributed to resettlers to allow the stabilization of their new lives and an early start of production activities. Unlike in previous years, after surveying the land, the sector sent staggered contingents of three to four households and dispatched an individual to make an on-the-spot report before sending additional contingents, avoiding, by the same token, the desertion of some resettlers that had occurred previously, which caused waste and affected the morale of prospective resettlers.

9458

CSO: 4209/788

AGRICULTURE

VIETNAM

MORE IRRIGATION WORKS IN SOUTH VIETNAM

OW060937 Hanoi VNA in English 0731 GMT 6 Sep 86

[Text] Hanoi VNA 6 September--Built with financial assistance from the World Bank, Holland, the OPEC, and Kuwait, the Dau Tieng irrigation project has watered 172,000 hectares of crop fields in Tay Ninh Province (northwest of Ho Chi Minh City) and 20,000 hectares of rice fields in Cu Chi District on the city's western outskirts.

The Tri An hydro-electric power plant on the Dong Nai River (about 50 miles north of Ho Chi Minh City) now under construction is expected to be commissioned by the end of 1990. Besides generating electricity for industrial development, the project will irrigate some 200,000 hectares of cultivated land in vast areas next to Ho Chi Minh City.

These two projects have been designed to supply water for crop fields in an area inhabited by five million people including Ho Chi Minh City and Bien Hoa, a major industrial centre north of the city.

Three other irrigation works will be built soon in this area. They include the Phuong Hoa and the Thac Mo reservoirs and a cluster of irrigation stations on the Dong Nai River. They will increase the velocity of the Dong Nai River in the dry season from 25-27 cubic metres per second to 370-410 cubic metres. This will help push back sea water from flowing deep inland and transform large areas affected by salinity into double-cropping fields.

These irrigation projects will boost agricultural and industrial production, improve the people's life, and help redress the ecological and environmental imbalance in service of rational development.

/12913]

CSO: 4200/1412

HEAVY INDUSTRY AND CONSTRUCTION

VIETNAM

EDITORIAL CALLS FOR MORE CARE WITH CAPITAL INVESTMENT

Hanoi NHAN DAN in Vietnamese 2 Aug 86 p 1

[Editorial: "Effective Use of Local Funds in Capital Construction"]

[Text] Supplementary investments in capital construction made from local budgets in excess of planning goals in 1986 have amounted to nearly one-fourth the total amount of investments made by the entire state economy in capital construction and 2.5 times the capital invested by the central echelon in localities over the first 6 months of the year. This is a very great sum.

Some localities have used this capital effectively and on the right course by making intensive investments in a number of sectors, producing balance, contributing to efforts to stop the practice of making unequal investments in a number of production installations, and helping promote the effort to exploit latent local potential, especially for agricultural production and consumer goods. Nevertheless, shortcomings widespread in many localities are low investment effectiveness, dispersed and overly extended construction, showiness, formalism, waste, widespread unfinished projects, and lack of integration, while installations that already exist are not receiving investments for repair and replacement of machinery that has broken down. Agricultural production is the front line battlefield, which should receive appropriate investments of at least from 70 to 80 percent of available capital, yet many provinces only achieve about 30 percent, while at the same time pouring funds into non-production projects that are not needed yet. In many provinces where existing trade stores have many empty spaces due to a shortage of goods to display for sale, more large and imposing trade and service centers are being constructed. There are cities that are constructing overly large stadiums, the doors of which will be opened only a few times a year, while the water works lack the capital to purchase repair equipment and parts and the working people have daily water shortages. In no small number of wards and districts, while schools are short of desks and hospitals are short of beds, there is not enough housing for cadres and workers, water conservancy canals and gutters and road networks are in disrepair and have not been integrated, and there is not enough wood and iron to make looms for small industries and handicrafts, yet funds on hand, amounting to hundreds of millions of dong, are being used to construct large

theaters, conference halls, and festival halls. Many construction projects are launched on the local level without empirical economic and technical data, statistical estimates, construction forces, or construction materials.

Encouragement must be given to boosting production, creating capital, and investment by the locality in the right direction. Yet it must not be thought that, when you have funds in hand, you can build anything you want, without consideration of practical results and without consideration for balancing materials in the locality and on a national scale.

Capital construction on the local level is consuming a very great amount of funds and a large volume of materials. Localities must check projects and resolutely reduce investments in capital construction and determine the correct direction for investment and effective utilization of capital construction investments of the locality.

For the local level, the effective orientation for investment in capital construction is to concentrate capital on agricultural production, consumer goods, and export goods for key construction projects and targets, emphasizing in-depth investments to integrate production lines and projects already constructed and currently under construction to exploit latent potentials in labor, land, sectors, professions, equipment, and the like, in a timely way. Productivity, quality, and effectiveness are the measures for evaluating each investment and construction goal, aimed at the highest goal of creating a new, high-quality use value, overcoming imbalances, increasing the gross social product and public income, and constantly increasing accumulations from within the public economy. Investments in capital construction on the local level are also aimed at consolidating and perfecting new production relations, expanding the socialist battlefield, and boosting production to enable the state to control goods, control money, and control the market and prices, and on that basis to join the central echelon and the entire country in contributing to the effort of gradually stabilizing the life of working people.

The verification of key points for investment in construction is calculated carefully on the basis of distributing investments and reorganizing construction in accordance with the viewpoint of the interests of the public economy and overcoming provincialism, showiness, formalism, and failure to realize practical results. With new construction, reliance must be placed on the extent to which that project responds to the need of the social economy, whether it was necessary, and whether it should be severely limited, especially with non-production projects. With projects that are being constructed, each item must be investigated to determine which can be put to use fast--more investments should be made in them quickly and every effort made to promote construction; those that are not yet necessary or, after completion, are still inoperable should be temporarily denied additional funds, or the pace of construction should be slowed in order to accumulate capital and materials for key, necessary projects. There must be a resolute stop to the practice of making investments before economic effectiveness, before balancing resources, before economic and technical evidence, and before preparation of everything required for construction (though it be a low-category project).

Effective utilization of local funds for capital investment contributes significantly to stabilization of the socioeconomic situation and builds a correct national financial policy.

HEALTH, EDUCATION, AND WELFARE

VIETNAM

VNA REVIEWS DEVELOPMENT OF EDUCATION IN VIETNAM

OW051211 Hanoi VNA in English 0705 GMT 5 Sep 86

[Text] Hanoi VNA 5 September--More than forty years ago when the Democratic Republic of Vietnam (now the Socialist Republic of Vietnam) came into being in 1945, 95 percent of the population were illiterate. Women and people of ethnic minorities accounted for a very small portion of the remaining 5 percent.

In the new regime, a new independent, democratic and popular education was established on a very backward socioeconomic basis burdened with innumerable difficulties caused by 30 years of wars of aggression by the French colonialists and, then, the U.S. imperialists. The educational service, with a very small investment and a low starting point--there were only 26 students to every 1,000 inhabitants--quickly eradicated illiteracy, among the people and is enrolling 15 million pupils, or one third of the population. It has also trained more than one million technical workers, 700,000 graduates and post-graduates, 5,500 doctors and candidate doctors of science.

Education in the new Vietnam has undergone many stages of development.

In the resistance against French aggression from 1945-54, the anti-illiteracy campaign was carried on alongside the fight against aggression and the campaign against famine. Within only one year, two million adults among a population of 24 million could read and write.

In 1950 when the resistance against the French reached a crucial point, the first educational reform was initiated with the use of Vietnamese as teaching medium aimed at training new generations loyal to the motherland capable of taking the resistance to a victorious conclusion. At the same time, the nine year general education system was divided into three degrees: the four year primary degree, the three year junior high degree and the two year senior high degree.

The second stage lasted from 1954 after the liberation of the North till the end of the first 5-Year Plan for socialist construction in the North and the liberation of the South (1971-75). New and complicated tasks were adopted to eradicate illiteracy in the newly liberated areas, develop complementary education for adults, broaden the system of vocational schools and colleges

and the system of general schools including infant schools, and develop education in the mountain areas mostly inhabited by ethnic minorities.

The second reform began in 1956. A ten year educational system was set up comprising the four year primary degree, the three year junior high degree, and the three year senior high degree, aimed at developing education comprehensively with a view to building a new society and supplying qualified cadres for the building of the socialist economy and culture.

At the same time, further education for adults was stepped up. By the fall of 1965 this system had involved 4.5 million.

In the anti-U.S. war of resistance (1965-75), the educational service undertook a major re-orientation to better serve the national salvation fight. In the liberated areas in the South, with the assistance from the North, many new [words indistinct] within 1965, when the United States began its massive troop invasion, more than one million children in these areas went to school and some 100,000 adults became literate.

In the first four years of the 1975-85 period, efforts were focused on transforming the educational system in the areas formerly held by the enemy and building a new educational system in the whole country. In 1979, the Party Political Bureau issued a resolution on educational reform (3rd phase) in order to "associate education more closely with the socialist revolution," and to train a bigger and bigger contingent of young and capable people as the basis for the training of qualified technical and managerial personnel, scientific and professional cadres along the line of combining study with practice, education with production, and the school with society.

The general education system is extended to 12 years including a nine year basic degree and a three year secondary degree.

The main concern of the educational service at present is to continually raise the quality and efficiency of education, to carry out all-sided education, to foster people of a new type, to improve the material and technical bases of education and to make education serve more efficiently the socio-economic strategy of the country in the new stage.

/12913

CSO: 4200/1412

HEALTH, EDUCATION, AND WELFARE

VIETNAM

NIGHT TRASH COLLECTION STILL SEEN IMPERFECT

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 8 Jul 86 p 3

[Article by Trieu Binh: "Problems Encountered in 2 Months of Sweeping and Trash Collecting at Night"]

[Text] The sweeping and collection of trash on a citywide basis at night has been conducted over a period of 2 months. Each night on the streets of the city are more than 2,000 sanitation workers sweeping and collecting trash in "boats"; with nearly 40 vehicles such as compactors, bulldozers and trucks operating to deliver an average of 400 to 450 tons outside the city to sewage plants or production collectives.

With such a volume of trash, the labor intensity of workers engaged in city sanitation is fairly great. At the beginning of May, the Labor Service coordinated with a number of responsible agencies to inspect the actual living and working conditions of the sanitation workers and initially concluded that: the health of the female sanitation workers has declined; 80 percent of the women have difficult family circumstances and several children; and of the total number of workers and civil servants, women with a weakened body condition account for 10 to 15 percent; those with occupational diseases account for 15 to 20 percent; and those with gynecologic disorders comprise 25 to 40 percent. Labor protective equipment for sanitation work is lacking, is not uniform in specifications, and is not assured in quality. Tools such as spare parts for vehicles (trash trucks), brooms, etc. are also extremely scarce.

When sweeping and collecting trash by night, the difficulties above become increasingly more burdensome, especially during the rainy season.

We had an occasion to visit a number of sanitation teams in the 4th, 5th, 10th and 11th precincts and witnessed the extremely difficult eating and sleeping (because of the distance, they cannot return home) arrangements of the women engaged in sanitation work. Because some of the teams have areas that are too small, the women must spread mats on the damp ground to sleep. The night shift allowances only average 4 dong per woman, not enough to eat white gruel and sugar. When it rains, many of the women endure the dampness because their supplied raincoats are unsuitable and unusable and they lack protective labor clothing. Meanwhile, the total average income of a street sanitation worker is presently from 500 to 550 dong a month. There is nothing unusual then when Nguyen Thi Hoa of the 10th Precinct sanitation team and many others in this circle reflect, "With such labor conditions and the income level, one can only think about buying a few cigarettes that cost one-tenth of a month's pay."

The greatest difficulty to those engaged in night sanitation work, especially those sweeping, collecting and "boat loading" trash, is the lack of light. Because the lighting system in some locations and in some stretches is completely dark, they must blindly sweep and sweep and the streets are still not clean. A number of teams have requested kerosene to light lanterns on the trash trucks but there have still been no norms. A few cases have occurred in which bicycles and motorbikes traveling on the streets have collided with trash trucks and sweepers due to the lack of street lamps. Meanwhile, Decision 795/UB of the Municipal People's Committee on the transfer of trash sweeping from day to night operations has the following specific division of functions: "The Electric Power Service will ensure a stable source of electricity for street illumination and will supply additional electricity to those locations needing additional light in accordance with the requirements of the Urban Work Service." It may be stated that the lighting situation has not improved but instead has become worse due to many subjective and objective reasons.

From the realities above, we see that the transfer of trash sweeping and collection from day to night operations was a correct policy but the conditions for achieving this policy have not yet been thoroughly prepared. Therefore, the city sanitation situation has recently not been good. On many streets, the trash has accumulated, partially because the sweeping and collection is not clean, and partially because not all the people have yet been motivated to dump their trash at night; peddlers still discard their trash indiscriminately on the sidewalks and streets, etc.

To effectively achieve the policy above, we believe that first of all, it is necessary to improve the street lighting system, at least providing enough light to see the street for sweeping and collecting trash. Secondly, increase the third shift allowances, possibly to 80 or 100 percent of the base salary instead of the present 40 percent, because these labor conditions are truly difficult. Moreover, the average base salary of trash sweeping and collection sanitation workers is presently only at the 240 dong level.

These are the two primary conditions. Going farther, it is necessary to properly organize places for the sanitation teams to eat and rest at night in order to ensure their health for labor reproduction; motivate the people to dump their trash at "trash assembly points" on the sidewalk at about 1800 or 1900; punish anyone discarding trash and garbage indiscriminately on the sidewalks, at the mouth of culverts, near tree trunks, etc.

Only in this manner will the city sanitation situation be improved and the policy of transferring trash sweeping and collection to night operations gradually become a procedure.

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SCIENCE AND TECHNOLOGY

VIETNAM

ADVERSITY BESETS CITY'S SCIENTIFIC, TECHNICAL EFFORTS

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 2 Jul 86 pp 1, 4

[Article by Hoan Vu-Thu Binh: "Scientific and Technical Activities: Troubles and Negativisms"]

[Text] Hands Not Yet Firmly Grasped

Speaking of the scientific and technical potential in the city, those engaged in scientific work have a common viewpoint: Ho Chi Minh City is the location where fairly many trained intellectuals from different sources converge. The production position in the city and southern provinces is an extremely good position for scientists to "use their force." However, when examining the specific results, we see that the actual production needs are too many but that work done by the scientific ranks is still little compared with their available capabilities. Why is there such a contradiction? What has been the recent substance of the relationship between science and life and production in the city? Professor Nguyen Dinh Huyen, of the University, has observed, "Science and production, these hands have only recently touched but have not yet firmly grasped each other."

What is the reason for this trouble?

As You Pour So Shall You Do

This is the fairly universal situation in scientific and technical activities in many factories and enterprises. Visiting the Copper and Aluminum Wire Rolling and Drawing Joint Enterprise, we noticed that the equipment there was fairly modern but that the scientific and technical activities did not match the size of the joint enterprise and the standards of the scientific and technical ranks.

When queried about the matter of autonomy in expenditures for scientific and technical research and application activities, Bui Hong Khanh, Chief of the Scientific and Technical Bureau of the joint enterprise stated, "At present, the old management mechanism still restrains the scientific and technical activities of factories and enterprises. For a long time, the expenditures poured into scientific and technical activities at our enterprise have been extremely scarce. It may be said, as you pour so shall you do, because we are unable to use all the 'grey matter' of our scientific and technical brethren."

At a symposium in the 1st Precinct, those engaged in scientific and technical work and representatives of basic production units all voiced the anxiety that, many new products--the results of grey matter work--have halted in their exhibition form due to the lack of expenditures and materials. As upper echelons pour, so shall lower echelons do.

From the reality at the Copper and Aluminum Wire Rolling and Drawing Joint Enterprise, and through many instances of working directly in other factories and enterprises, we see that many of those engaged in scientific and technical work in the basic units all very much wish to enter scientific and technical accounting at the basic level in order to achieve expenditure autonomy. The proper achievement of this condition will stimulate and exploit the maximum "grey matter" potential of the basic level scientific and technical ranks. Giving enterprises autonomy in scientific project investment will not only assist those projects to promptly become successful but will also create conditions for those engaged in scientific and technical work to develop their grey matter, to improve their skills and economic and technical management standards, and to actively assist in production development.

If the Hands of Scientific Agencies Participate from the Beginning...

In construction to develop production, if basic production units lack autonomy in cooperating with scientific agencies to acquire perfected plans, when the work is done, the projects will usually suffer from unfortunate "leaks."

During the past few years, we have had an occasion to witness hundreds of factories, enterprises and basic production units in litigation because of serious pollution to the surrounding environment. When the paper plant of unit T. in Thu Duc was constructed, it "lacked" a waste water discharge system. Over many continuous years, the stupendous volume of waste water of the enterprise freely flowed out to spread through the surrounding homes. Many wells of the people were seriously polluted and made unusable. Fish in the ponds were poisoned and killed. There were even civilian housing areas that were inundated with black thick waste water. This was the "frightening cause of misfortune" for many families in the area. Only when the losses had reached a serious level was the enterprise willing to invest in a solution. This was truly water reaching your feet before you jump. If the enterprise had possessed the autonomy to meet and present the problem to specialized scientific agencies prior to construction, I wonder if this incident would have occurred.

A number of plants producing chemicals, fertilizers and insecticides have recently sprung up right in the middle of populated areas. Due to a disregard for scientific investment, during the past few years, the discharged dust and noxious gases have seriously damaged the property and health of the surrounding people. By passing by the Binh Dien 2 Fertilizer Enterprise in Binh Chanh, we can clearly see these damages.

Vague Procedures, Improper Investment

The majority of those engaged in scientific and technical work in the city are extremely enthusiastic and proud when introducing their research projects to

production. However, there are many cases in which this flame of enthusiasm has been "dimmed" by the encounter with administrative methods, rigid principles and vague procedures.

At the end of 1985, the University entered a contract with a province in the Mekong River Delta to apply a project for the full utilization of stubble and grass to grow mushrooms. This was a project with a practical effect that if done well would assist in improving the lives of the people in the province. Although the project had the concurrence of the provincial scientific and technical committee, it was a half year later before the province examined and approved it. The university sent the project director down to work. When the province concurred, the site should have had work to do. However, it was not so easy. After the project director has made efforts to brief and "persuade" the district chairman to agree, the project was still not deployed because it did not have an "agreement" from the district vice chairman in charge of agriculture. Continuing in this manner, the project director had to make many trips to "persuade" one individual after another, from the district party committee secretary and cadres in charge of the agricultural, finance and material bureaus to those directly participating in the project. Only when everyone had "agreed" did the work begin. Shouldn't we have a faster method of doing the job? The project director had reason when he said that it was truly "a surplus of democracy and a shortage of effectiveness!"

In scientific and technical activities, if a basic unit only invests halfway or at an improper level, projects will find it extremely difficult to succeed. Not long ago, when completing research on a process to produce amino acids from waste barn, the University biology department was introduced by the Municipal Scientific and Technical Committee to Pharmaceutical Products Enterprise 3-2 for project development. The production process required a centrifuge to separate and extract the materials but for some unknown reason, the enterprise did not invest in a centrifuge but brought in a washing machine as a replacement! Because the low rpm of the washing machine could not separate and extract the necessary materials, application of the project was unsuccessful, creating much grief and trouble for both sides. The same project not long afterward, due to a proper level of investment, produced good results for Pharmaceutical Products Enterprise 24 (of the Ministry of Public Health) from the very first batch of products. Now after only 6 months, the enterprise has produced nearly 20 million Axamin supplement tablets. Thus, was the failure because the project was not carefully researched or was it in the application?

The results of a research project in the exploitation of underground water in Ben Tre Province is a reality worthy of our consideration. This was a difficult project because there had previously been opinions that Ben Tre had no underground water. With an investment by the province and upper echelon in 20 drill bits, a group of geology cadres from the University found an underground stream and acquired water for the province. This was an achievement worth recording. Actually, if an additional 30 percent had been invested at the same time in follow-up stages: pumping, surveying and analyzing the water, etc., the project results would have been perfect. Unfortunately however, because there were no expenditures, the work was left half done. To acquire the water now would take about a million dong. Truly "one time fearing expense...14 times

not yet done." Recalling this event, Professor Tran Kim Thach felt that the work group at that time resembled a fishing boat supplied with only enough gas to reach the fishing grounds and then hurriedly turning back because there was not enough fuel to remain and catch fish. It may be said that this occurs in many places.

Depleted Grey Matter

During the period from 1983 to 1985, the Water Conservancy Service coordinated with the University in research on the use of underground water to support production in the city. In this program, the university was assigned to research the structure and reserves and to calculate the capabilities for exploitation of underground water sources. To achieve this gigantic volume of work, cadres of the university's geology department used all of the knowledge accumulated during the past 30 years on underground water in the area of the city to support the project. For 5 continuous years, hundreds of the university's scientific cadres participated in the program and nearly 600 drill bits were employed. It may be said that those engaged in the scientific work from both agencies worked in an extremely enthusiastic manner. The result was that a network of city underground water was invested in and exploited. According to estimates, this source of underground water can be tapped continuously for a period of 27 years to adequately answer the drinking water, everyday activity, and industrial and agricultural production requirements of the entire city. In December of 1985, the project was judged outstanding by the Municipal Testing and Acceptance Council and recommended for an award from the city. To the present time however, the men and women from the university who directly participated in this program have still not received any supplementary funds. Each time this event is recalled, they "don't know what else to say!!!"

Not long ago, P. scientific agency signed a contract with B. agency to conduct research on an extremely valuable scientific project. When completed, this project assisted B. agency with the conditions to repair and restore an entire old and broken down production line. After only 1 year, the project provided a profit to B. agency of up to a few tens of millions of dong. It is estimated that from now until the end of the year, profits will reach nearly 100 million dong. However, concerning P. scientific agency, besides the approximately 1,000 dong paid in expenses for the whole project while working, those directly participating in the project have still not received a bit of award money to supplement their grey matter. There are even times in which the innovative name of side A is "borrowed" by side B. This indistinct method of operation has appeared recently in many locations, causing an angry and difficult to endure psychology among researchers. Even more dangerous, if we do not have methods of control, it will dry up and deplete the source of grey matter.

Things Not Easy to Say that Must be Said

Professor T. was the man directly in charge of research in the use of hydrologic isotopes in the underground water levels of the Nam Bo region. He and others in the group spent a fairly large amount of effort in this project to research, follow and integrate the data in preparation for the subsequent scientific stages. Strangely enough however, the data that the original researcher had accumulated over a period of many years was "publicly announced"

and "briefed" as if it were his own. We went to meet the originator to ask him about the incident and he shook his head, "We don't know either why anyone would have the right to do that. It is certainly something that is not easy to say!"

Receiving the information that scientist X. was preparing to test a project on which he had invested a fairly large amount of effort, we went to visit him. Upon meeting the project originator, he told us some "painful news:" An individual under the authority of a cadre in the project testing and acceptance council recently came to directly present him with a problem. If he did not 'disburse' to them a portion of the money he would receive from the project, the testing and acceptance session the next day would not be completed. Who was the individual? He did not find it easy to say. However, it is time that such an immoral action is brought into the light. We also hope that he soon speaks frankly.

In short, there are many reasons for the troubled and retarded situation in scientific and technical activities, but after collecting opinions, we see that they are concentrated in three primary problems: the scientific and technical committee of the city has not yet developed its hub and center responsibility; basic production units are still inexperienced and lack autonomy in seeking and signing applied research contracts with scientific agencies; and on the other hand, scientific agencies have not yet "scratched the right place on the horse" of basic production units. Besides that, there are still some inconsistencies in the award systems and policies and the bureaucratic and negative expressions of a number of key cadres in the various steps of the activity production line have created fairly large obstacles and troubles to the development rate of the research programs and the application of science and technology. We think that such specific problems as indicated above must be straightforwardly dissected and resolved by specific regulations before we can hope to properly develop the scientific and technical stature of our city. A scientific mechanism is needed for science.

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